

SPORTS
MONDAY

Herald Tribune

INTERNATIONAL

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

The World's Daily Newspaper

R

London, Monday, December 28, 1998

No. 36,024

TODAY:
HEALTH
SCIENCE
PEOPLES
BUSES
SCIENCE
PEOPLES

China Again Imprisons A Democracy Activist

Court Orders 4th Lengthy Sentence in a Week

By Erik Eckholm
New York Times Service

BEIJING — Dealing out the fourth lengthy prison term to political dissenters in a week, China convicted a veteran democracy activist on Sunday for "providing intelligence to hostile foreign organizations," a human rights group said, because he gave an interview about farmer protests to Radio Free Asia, which is financed by the U.S. government.

After an unusual Sunday trial in the southern province of Hunan that lasted less than three hours, the defendant, Zhang Shanguang, 42, was sentenced to 10 years in prison, according to Human Rights in China, which is based in New York.

Mr. Zhang previously spent seven years in prison for organizing an independent labor union in 1989. This year, before his detention in July, he formed a group to protect laid-off workers and tried to register it with local officials.

Chinese authorities, fearing social unrest at a time of rising unemployment, appear to be especially fearful of any

labor organizations outside Communist Party control and of any efforts to link up disaffected workers with democracy campaigners.

Last week, as part of the most severe crackdown on dissidents here in two years, three longtime activists who promoted a new China Democracy Party — Xu Wenli, Qin Yongmin and Wang

What many forgot: China is a one-party state. Page 4.

Yoncui — were convicted on subversion charges and given sentences of 11 to 13 years.

At his brief trial, Mr. Zhang was charged with "illegally providing intelligence to hostile foreign organizations and persons," according to his lawyer and relatives.

The indictment specifically named a phone interview that Mr. Zhang gave last month to Radio Free Asia in which he discussed a protest against high taxes

See CHINA, Page 4



FLEEING THE FIGHTING — Carabinieri paramilitary police in Otranto, on the coast of southern Italy, conducting a roll call on Sunday of illegal immigrants from Kosovo before sending them to a refugee center.

Dario Casilli/Agence France Presse

As Europe Aligns Its Currencies, Disunity Persists in Pricing

By Edmund L. Andrews
New York Times Service

KRONBERG, Germany — Klaus Gossens built his career by thinking more like a European than a German. As head of European trade management at Braun AG, he has nurtured one of the best-known European brand names for such household "gadgets" as coffee makers, spice-grinders and electric shavers.

So, as much of Europe takes a huge step toward unity by introducing a single currency, the euro, why is Mr. Gossens worried?

His problem is pricing. A Braun Flex Integral shaver sells for about \$90 in Spain, \$103 in the

Netherlands, \$118 in Germany and \$124 in France. There are similar variations for countless other products, from Chanel perfume to Volkswagen sedans to Levi's jeans to Bayer aspirin.

And French or German consumers are not the only ones who pay more. Europe's biggest retailers themselves often pay their suppliers different prices in different countries.

"Until now, buyers tolerated those differences," Mr. Gossens said at Braun's headquarters in Kronberg, north of Frankfurt. "But they aren't tolerating them anymore. We are entering a situation where everything is very transparent. If



I am a buyer and I don't get satisfactory answers about prices, I'll go off to another company."

That may sound like Economics 101, but until recently Europeans have been fighting it. Though the European Union abolished most trade barriers among member countries several years ago, European retail markets remain stubbornly balkanized.

Now, as 11 countries prepare to start using the euro as their common currency Friday, the crazy-quilt system has become a battleground. The euro should theoretically make it much easier to compare prices and to pounce on discrepancies. It is

also likely to give a new lift to cross-border transactions within Europe, because it will eliminate exchange-rate fluctuations and the cost of hedging against them.

Though the new bills and coins will not begin circulating until 2002, the euro is already quite real. The participating countries — Germany, France, Italy, Belgium, the Netherlands, Luxembourg, Austria, Spain, Portugal, Ireland and Finland — will permanently lock their exchange rates to the euro on New Year's Eve and surrender control over monetary policy to the new European Central Bank. Some stores already are

See EURO, Page 13

Recession in Asia Brings Resistance to Openness

Political and Economic Freedom Are Under Fire

By Michael Richardson
International Herald Tribune

SINGAPORE — With many of East Asia's economies mired in recession, and the prospect of further trouble in 1999, some countries in the region — including the two most populous, China and Indonesia — are warning that curbs on openness will be needed to cope with the crisis.

As mass unemployment and social distress deepen in the months ahead, the challenge to political and economic liberalism in Asia is likely to intensify as Asian governments seek to tighten controls by asserting that stability is essential for recovery, analysts say.

A new conservatism in Asia may be rising in reaction to the economic crisis," said Ding Xue Liang, a research fellow in the Contemporary China Center at the Australian National University in Canberra. "To many in Asian political and intellectual circles, liberal democracy does not appear to be the sol-

ution to their current financial and economic problems."

Yet liberalism — in the shape of more open markets and greater accountability of governments — is strongly advocated by the United States, other Western nations and financial institutions such as the World Bank and International Monetary Fund as the only real solution to the region's fundamental problems.

Those countries and institutions have provided emergency loans amounting to more than \$140 billion to help three of the most badly affected East Asian nations — Indonesia, Thailand and South Korea — in exchange for reforms.

A few other countries, among them the Philippines and Singapore, are pressing ahead with similar reforms to make their economies more transparent and competitive.

But many others are either having second thoughts about opening more widely to public scrutiny and international competition or reverting to authoritarian political controls and methods of the command economy.

Western officials and business ex-

A LOOK AHEAD
1999
ASIA



CHALLENGE TO NETANYAHU — Yitzhak Shamir, left, lending support Sunday as Uzi Landau of Likud announced his candidacy for prime minister. Meanwhile, a top Likud contender dropped out. Page 7.

AGENDA

Iraq Vows to End UN Oil-for-Food Deal

Iraq said it would reject an extension of a UN-monitored oil-for-food program that feeds civilians and that it would order aid monitors to leave.

Baghdad also said it would fire on U.S. and British warplanes patrolling the "no-fly" zones imposed after the Gulf War. Officials said that anti-aircraft gunners were prepared to

PAGE TWO	
Books	Page 7
Crossword	Page 8
Opinion	Page 6
The Intermarket	Page 5
The IHT on-line	www.iht.com

open fire on planes patrolling the zones.

The tough talk came as a group of Arab legislators meeting in Amman, Jordan, condemned recent U.S.-British air attacks as "unjust aggression" and called on Arab governments to work on the lifting of the UN trade embargo against Iraq. Page 7.

Bonn's Plea on Taxes

Germany appealed to other EU members Sunday to get rid of what it called unfair tax loopholes and emphasized that creating a system of "fair taxes" would be a priority when Germany took over the rotating presidency of the European Union at the start of the new year. Page 11.

Bonn Parties Divided Over East German Ex-Stalinists

By John Schmid
International Herald Tribune

FRAUNFURT — Nine years after East Germans ousted the Communists, the heirs of the Stalinist party have taken a giant stride toward the political mainstream in their new political system.

Ever since Eastern Germany's reformed Communists made unexpectedly strong gains in the September elections, the political establishment in both Eastern and Western Germany has agonized over how to treat a once-unouchable party now legitimized by the ballot box but still stigmatized by its totalitarian roots.

The reformed Communists, since renamed the Party of Democratic Socialism, now revel in their status as the self-declared party of Eastern pride and lobby for unification's losers. Riding its momentum, the PDS already plans to expand its newfound influence in an unusually heavy slate of four East German statehouse races and myriad municipal elections next year.

"We are normal," said Hauno Harisch, a party spokesman. "We have an enduring place in the political landscape." But just as it appeared on its way to respectability and acceptance, the party inflamed the debate over its oppressive past this month.

Tearing open old wounds, its leaders called for an amnesty for crimes committed in the name of the old Communist government, including shoot-to-kill orders for border guards.

They then added to the ensuing uproar with proposals to pay compensation to former East German officials

See GERMANY, Page 5

Malaysia, Warts and All

Anwar Trial Exposing Government Secrets

By Thomas Fuller
International Herald Tribune

KUALA LUMPUR — When Anwar Ibrahim, Malaysia's ousted deputy prime minister, was first brought to court two months ago on corruption and sodomy charges, there were calls from across the political spectrum for a fair and open procedure. Malaysia was, as much as Mr. Anwar was,

But after 33 days of testimony, one question is increasingly being put: Can a developing country like Malaysia, in which information has long been

tightly controlled — handle the scrutiny of a trial that lays bare the inner workings of its government?

The trial is reported nightly on the television news and is featured almost every day on the front pages of newspapers here, offering an unfiltered and unprecedented view of the upper echelons of power. The case has featured the names of top officials, among them close allies of Prime Minister Mahathir Mohamad, who dismissed Mr. Anwar in September after a year of acrimony between the two men. Witnesses have told the court how they were awarded government contracts, an often-opaque process in Malaysia.

Put simply, the trial of Mr. Anwar is shaking the foundation of government. And lawyers, political analysts and the police say they are concerned about collateral damage.

"What's hurting most now in Malaysia are the institutions of democracy and government," said Rustam Sani, a lecturer at the University of Malaya. "They are nascent, still being built: the judiciary, the police, the civil service, the political parties. It will take some time until we can have confidence in those institutions again."

Perhaps the best indicator of the

that have suffered discrimination and toward practices from interracial marriage to premarital sex that once might have been condemned. That tolerance also extends to free expression of controversial views.

But few issues are more revealing than Mr. Clinton's impeachment when it comes to highlighting how

Luther King Jr. and Robert Kennedy, anti-Vietnam War demonstrators, urban riots and violent clashes between police and protesters at the Democratic National Convention scarred the nation's consciousness.

But 1998, with a bitter, year-long battle in the courts and Congress climaxing in the first presidential impeachment in 130 years, has left deep divisions across social, political and generational lines.

They begin, according to the Post/Kaiser/Harvard survey, with a near-even split between those (50 percent) who think a president "has a greater responsibility than leaders of other organizations to set the moral tone for the country" and those (48 percent) who say, "As long as he does a good job running the country, a president's personal life is not important."

Reflecting the partisanship engendered by the long

waves have changed over the last 30 years. Almost without exception, experts interviewed said that the public verdict in his case was far different than it would have been in the late 1960s because the values environment has changed.

Conflict over the social order is notably less violent than it was in 1968, when the assassinations of Martin

See VALUES, Page 3

Legacy of '60s Plays Out in Divisions Over Clinton

By David S. Broder and Richard Morin
Washington Post Service

WASHINGTON — The sharply divided public reaction to the impeachment of President Bill Clinton has provided a dramatic showcase of a struggle for American values that goes back to the 1960s and remains unresolved today.

As an emblematic figure from that troubled decade, polls and analysts said, Mr. Clinton confronts his fellow citizens with choices between deeply held moral standards and an abhorrence of judging others' behavior; a conflict the baby boomers have stirred all their adult lives.

A series of surveys about values by The Washington Post, the Henry J. Kaiser Family Foundation and Harvard University underlines the growing tolerance Americans now display for groups like homosexuals

that have suffered discrimination and toward practices from interracial marriage to premarital sex that once might have been condemned. That tolerance also extends to free expression of controversial views.

But few issues are more revealing than Mr. Clinton's impeachment when it comes to highlighting how

Luther King Jr. and Robert Kennedy, anti-Vietnam War demonstrators, urban riots and violent clashes between police and protesters at the Democratic National Convention scarred the nation's consciousness.

But 1998, with a bitter, year-long battle in the courts and Congress climaxing in the first presidential impeachment in 130 years, has left deep divisions across social, political and generational lines.

They begin, according to the Post/Kaiser/Harvard survey, with a near-even split between those (50 percent) who think a president "has a greater responsibility than leaders of other organizations to set the moral tone for the country" and those (48 percent) who say, "As long as he does a good job running the country, a president's personal life is not important."

Reflecting the partisanship engendered by the long

See VALUES, Page 3

Challenge for Jewish President / Weighty Matters of Conscience**A Swiss 'Facilitator' Searches for the Middle**By John Vinocur
International Herald Tribune

BERN — Ruth Dreifuss says it almost before her visitors are settled into their chairs: She will not be an alibi, a public relations prop depicting Switzerland as reconciled with its past, or a marker to paint its history with the harsh, dark lines of caricature.

But being Switzerland's first woman and first Jewish president may come with difficulty.

Her success, as she suggests, would mean helping find a new context, a still uncertain middle space, where Switzerland could begin to come to terms with its old self-vision of virtue, and its new and unwelcome persona of World War II accomplice and *profiteur*.

A reservoir of anger and grief that has not yet found resolution accompanies the post she takes over for a year on Jan. 1.

How does she do the job right, getting all the nuances, choosing the references between bucolic picture postcard and self-flagellation, that both confront and try to explain an aching reality? How does Ruth Dreifuss serve as the emblematic representative of a country that for years tried, in effect, not to know how much it was a conscious onlooker to the Holocaust or even more, its shameful beneficiary?

Her job is largely ceremonial, a mission she defines as more one of a "facilitator" than an uncontested leader at the head of the Federal Council, or Swiss government. Her election as president, she stresses, came not as part of a vast Swiss image-retouch, but because it was simply her turn, as the council member responsible for health and social affairs since 1993, to take over the country's rotating presidency. Even so, being President Dreifuss is not less delicate; getting to the consensual middle on the issue of Switzerland's conscience cannot be comfortable for her.

When she talks to visitors in an office of careful unpretentiousness, her sentences almost always seem to come in pairs. It is as if her articulation of her dilemma, expressing the many contradictory levels of her vision of Switzerland, had a double track, a constant negative plus positive link on the one-hand layer of resolve and directness, and an on-the-other-hand layer of modifiers and clauses.

So, when Miss Dreifuss points to how Switzerland started to resolve the issue of money owed Holocaust survivors by Swiss banks, she quickly adds, "This was an initiative, I recognize, that was born only under outside pressure."

The pattern is strong. On-the-one-hand: "I don't ... and that my presidency gives anybody the feeling that Switzerland no longer has to be concerned with its past" or the elements of anti-Semitism in it. Then, on-the-other, about anti-Semitism: "I deny that it's any greater here than elsewhere. Don't have



I'm happy to be able to say that Switzerland is moving and that I'm part of what's moving.'

me saying that. But that's enough. Even if it's like it is elsewhere, that's enough."

Yes, says there are now "certain marks on Switzerland's reputation," but no, "I don't think you can talk about damage" to Swiss effectiveness economically or on the international level.

THE PATTERN seems almost instinctive, and curiously it reflects the way Miss Dreifuss sees Switzerland dealing with its fears about its past: "There have always been two movements. We try to find out a bit more, and then we close up the cellar so as not to see what's in there. I think we're going much further now."

Possibly the most intense period of Miss Dreifuss's presidency will come in the spring when a

government-appointed panel of international historians will issue a report on Swiss policy during the war. She has said she expects to launch a national debate, and — the hunt for the middle comes in here — to explain to Jewish organizations where their demands are justified and where, as she signaled in advance, they are less so.

Miss Dreifuss, who is 58 and not married, was born to Swiss-Jewish parents in St. Gallen and moved during the war to Geneva, across the lake from Nazi-occupied France, or as she puts it, "a few kilometers from a death sentence." She recalls her father as a Swiss patriot, experiencing "a moment of joy" when he put on a Swiss military uniform for the first time.

There was no massive, popular Swiss anti-Semitism during the war, Miss Dreifuss believes, but real anti-Semitism nonetheless in the country's asylum policy. "The worst was the indifference, and pushed to the extreme, considering Nazism normal and that it didn't concern us."

Her own career developed through the Socialist Party and feminist activities as she worked in the trade union movement. A reputation of calm, fairness, and competence allowed her to leap into local politics, bringing her directly into the government five years ago.

MISS DREIFUSS talks sparingly of her own personal history, but she says her family "lived in fear" during the war. There has been no change in the volume of her mail since the Parliament approved her selection as president in early December, although some letters were "more vehement, more stupid." As for anti-Semitism in Switzerland, "I've encountered it, you could say. It happens. I've never suffered from it as an obstacle."

In a country in which women received the right to vote in all its cantons only in 1990, Miss Dreifuss sees herself as a new face. "I represent another Switzerland. More urban. More egalitarian. More tolerant."

She is an advocate of Swiss membership in the United Nations and the European Union. Neither will happen on her watch, but should be taking place, she believes, during the next five years.

If she insists she is unwilling to serve as anyone's lever or alibi, Miss Dreifuss says she will pay special attention to the needs of women's and human rights groups. Then she adds her modulating clause. They must not be demagogic.

At her most bold, Miss Dreifuss, says, "I'm happy to be able to say that Switzerland is moving and that I'm part of what's moving."

This, of course, had its own careful preface: "I don't want the Swiss to think that equality is achieved because I'm president of this country."

"There's a long way to go," she says.

Cathal Goulding, Ex-IRA Chief, Dies

The Associated Press

DUBLIN — Cathal Goulding, 75, former chief of staff of the Irish Republican Army, died Saturday in a Dublin hospital, the British national news agency, Press Association, reported.

The cause of death and funeral arrangements were not immediately known.

Mr. Goulding, a committed Marxist, was the IRA's commander in 1969 when the paramilitary group split.

His poorly armed and poorly organized group had been unwilling to begin an insurrection in British-ruled Northern Ireland in the late 1960s, and after a bloody feud, younger Roman Catholic militants such as Gerry Adams and Martin McGuinness broke away to form the Provisional IRA and Sinn Fein.

Under Mr. Goulding's leadership, the Official IRA declared a cease-fire in 1972.

Mr. Goulding became highly critical of the Provisionals, saying that the violence in Northern Ireland was sectarian and that it made Irish unity more difficult.

Mr. Goulding was born in Dublin in 1922, into a family with strong IRA connections.

He was interned by the Irish government during World War II for his membership in the Irish Republican Army. After the war, he was involved in the revival of the organization, and in 1953 he was sentenced to prison for eight years in Britain for an arms raid on a school in England.

Alfredo Covelli, 84, Founder of Italian Monarchist Party

ROME (AP) — Alfredo Covelli, 84, who founded a monarchist party in 1946, the year Italians voted to inaugurate a republic, died Friday in Rome.

Italian news reports said Saturday.

Mr. Corbelli's National Monarchical Party appealed to some of the 11.5 million Italians who had voted in favor of retaining the monarchy. In 1972, the party became a part of the neofascist Italian Social Movement. Mr. Covelli served for more than 30 years in the Italian Parliament.

Sandro Cherchi, 87, a sculptor who was one of the founders of the Italian anti-fascist artistic and literary movement Corrente of the 1930s, died in his Turin home, RAI television reported Saturday.

Wang Ganchang, 90, the Chinese and German-trained scientist credited with founding China's atomic bomb program, died Dec. 10 in Beijing of an unspecified illness, the Xinhua press agency reported Saturday.

TRAVEL UPDATE**Arc de Triomphe Shut**

PARIS (Reuters) — The Arc de Triomphe, one of Paris's most popular tourist attractions, was off-limits to visitors Sunday as the monument's employees went on strike over staffing levels and pay.

The employees, who walked out on Saturday afternoon, complain that they must work too much overtime and are demanding bonuses and the hiring of additional staff.

Lights and heat were switched back on over the weekend for many customers in the southern United States who had been shivering since an ice storm

snapped power lines across the region. But thousands more still had no electricity since a pre-Christmas ice storm pulled down power lines and snarled highway and airline travel. Thousands in Virginia, Mississippi, Tennessee, Alabama, Louisiana and North Carolina were without power early Sunday. (AP)

Security has been tightened on Switzerland's main Alpine rail crossing after three bomb threats from an anonymous caller demanding money, state police said Sunday. The 15-kilometer (9.5-mile) Gotthard tunnel, a key north-south route between Germany and Italy, was closed for two hours Friday and

searched following the first threat. (AP)

Thick fog at Delhi airport on Sunday disrupted air traffic, causing about half of all arrivals and departures to be canceled, the Airport Authority said. (Reuters)

Trans World Airlines reported far fewer cancellations Saturday after a judge ordered union flight attendants staging a "sickest" back to work, but hundreds of frustrated travelers remained stranded. TWA canceled about 45 flights Saturday, down from more than 90 the day before, as flight attendants staged a show of anger over the lack of a new contract. (AP)

This Week's Holidays

Banking and government offices may be closed or services curtailed in the following countries and their dependencies this week because of national and religious holidays:

MONDAY: Australia, Britain, Canada, Ireland.

TUESDAY: Costa Rica, Iceland.

WEDNESDAY: Costa Rica, Japan, Philippines.

THURSDAY: Argentina, Austria, Azerbaijan, Bangladesh, Belgium, Brazil, Britain, Chile, Costa Rica, Denmark, El Salvador, Finland, France, Germany, Iceland, Japan, Latvia, Lebanon, Luxembourg, Netherlands, New Zealand, Oman, Pakistan, Philippines, Singapore, Spain, Sweden, Switzerland, Thailand, Ukraine.

FRIDAY: All countries except: Egypt, India, Liechtenstein, Pakistan, Sri Lanka, Switzerland, Turkey, Venezuela, Yugoslavia, Zambia.

SATURDAY: Oman, Saudi Arabia.

Sources: J.P. Morgan, Bloomberg, Reuters.

Among U.S. Students, French Keeps Its Chic Appeal Endures Despite Waning InfluenceBy Jacques Steinberg
New York Times Service

Defenders of French can be found even in traditionally unfriendly places.

A British official at the United Nations, who insisted on anonymity so he would not be seen as a defender of the French, said that French could occasionally be useful.

"If you want to impress your girlfriend," he said, "have a bit of French pillow talk."

Holding out another olive branch, he added, "I don't think you should necessarily be hard-nosed, saying you should only learn a language that is going to further your business interests. People need an education to be enlightened, and French is part of that."

But French has limited practicality, he conceded. "I have enough trouble in a cab in New York," he said. "There, Urdu might be helpful."

Not so for those traveling to Quebec, where French is a necessity and the use of English is restricted on signs, or for those interested in the arts.

Morgan Aronson, a ninth grader at the Fieldston School in New York, is in her third year of French, which she believes will help her in becoming a ballerina. "The steps that are done, they were named in France, because that is sort of where ballet took hold," said Morgan, 14. "We do little stories in French class. Someone was throwing something and the book used the word *jeté*. I thought, 'Oh, I know what that is.'"

Amanda Wilder, an 11th grader at the Kent School in Litchfield County, Connecticut, could have chosen German, Spanish, Japanese or Latin. While most of her classmates selected Spanish, she picked French.

"I had been told that French was the language of the diplomats," she said, "and that all high-powered people, such as Madeleine Albright, spoke it."

Yet it is in the area of diplomacy that French has suffered some of its biggest losses. While some in France continue to sweep away Americanized phrases like le stress and jockey that have slipped through their borders, delegates of former French colonies from Africa and Southeast Asia are increasingly choosing to communicate in English rather than French at official conclaves.

Another Team Sets Balloon Attempt

The Associated Press

SYDNEY — An Australian team is preparing for its attempt at the first nonstop around-the-world balloon flight, with takeoff planned for just days after another team splashed down in the Pacific Ocean.

The team, led by the Denver real estate magnate Dave Liniger, is making final preparations in the Australian outback town of Alice Springs. Mr. Liniger, John Washington, an Australian, and Bob Martin, a journalist from Albuquerque, New Mexico, expects to succeed where others failed by taking the high road, flying on the outer edge of the atmosphere where weather should not be an issue.

The launch is scheduled for Tuesday morning.

The team will fly under a large NASA-developed balloon in a pressurized capsule, reaching an altitude of about 24 miles (39 kilometers) above sea level.

WEATHER

Forecast for Tuesday through Thursday, as provided by AccuWeather.



Maps, forecasts and data provided by AccuWeather, Inc. ©1998 - www.accuweather.com

North America

Today High Low Wind Today High Low Wind

Atlanta 70°/52° 32°/22° CDF CDF

Baltimore 68°/50° 32°/22° CDF CDF

Boston 68°/50° 32°/22° CDF CDF

Chicago 68°/50° 32°/22° CDF CDF

Dallas 70°/52° 32°/22° CDF CDF

Detroit 68°/50° 32°/22° CDF CDF

Florida 70°/52° 32°/22° CDF CDF

Houston 70°/52° 32°/22° CDF CDF

Los Angeles 70°/52° 32°/22° CDF CDF

Montreal 68°/50° 32°/22° CDF CDF

Phoenix 70°/52° 32°/22° CDF CDF

Portland 68°/50° 32°/22° CDF CDF

Raleigh 68°/50° 32°/22° CDF CDF

San Francisco 68°/50° 32°/22° CDF CDF

Tampa 70°/52° 32°/22° CDF CDF

Toronto 68°/50° 32°/22° CDF CDF

Vancouver 68°/50° 32°/22° CDF CDF

Victoria 68°/50° 32°/22° CDF CDF

Winnipeg 68°/50° 32°/22° CDF CDF

Winston-Salem 68°/50° 32°/22° CDF CDF

Youngstown 68°/50° 32°/22° CDF CDF

Zanesville 68°/50° 32°/22° CDF CDF

Asia

Today High Low Wind Today High Low Wind

Almaty 68°/50° 32°/22° CDF CDF

Bangkok 68°/50° 32°/22° CDF CDF

Bahrain 68°/50° 32°/22° CDF CDF

Baku 68°/50° 32°/22° CDF CDF

Beijing 68°/50° 32°/22° CDF CDF

B

THE AMERICAS

President and Congress Face a Budget Crunch

Despite Surpluses, Built-In Spending Caps Will Force Politicians to Make Sacrifices

By Richard W. Stevenson
New York Times Service

WASHINGTON — As the Clinton administration finishes drawing up its tax and spending proposals for the next fiscal year, it is confronting the perplexing but painful reality that despite mounting federal budget surpluses there is little money for new programs, and some areas could face cuts.

Given the strict spending caps enacted at a time when the deficit seemed to be a permanent fixture, administration officials are reaching deep into their bag of budget tricks to find ways to pay for the programs that President Bill Clinton wants to propose when he sets out his priorities to Congress next month.

Administration officials said they would have enough money available in their budget plan to show that Mr. Clinton can still push an activist agenda despite his impeachment and pending Senate trial.

Mr. Clinton is expected to propose some domestic programs that went nowhere in Congress this year, such as school construction, anti-pollution efforts and tax breaks for child-care expenses, as well as to come up with some initiatives such as assistance for disabled people returning to work.

But he also is committed to providing more money for defense and has already announced his support for an increase in pay and pensions for the military.

Mr. Clinton has told members of Congress that it will be all but impossible to deal with all the issues facing the country, from providing more military spending to dealing with Medicare's looming troubles to meeting Democratic priorities for domestic programs, unless there is agreement to use some of the surplus, a step that Mr. Clinton continues to vow he will not even consider until the nation settles on a plan to shore up Social Security.

"Staying with the policy of reserving the surplus until we've fixed Social Security has left us with a 'tight budget,'" said Gene Sperling, the White House economic adviser. "But balancing fiscal discipline with efforts to pass new investments in education and other priorities has in one form or another been the balancing act the president has succeeded in pulling off throughout his tenure."

In the meantime, the administration is assembling a budget for the year starting Oct. 1 that does not rely on the surplus. Instead, it stays in balance by offsetting the cost of new programs with cuts in others and by creating "new pots" of money, at least on paper. Administration officials declined to divulge any details, but people with whom they have consulted said the ideas under consideration included closing a variety of

corporate-tax loopholes and finding ways to squeeze more money out of tobacco companies and cigarette sales.

Republicans, too, are chafing under the budget rules. Spurred by the administration in their efforts to get a big tax cut this year, they are regrouping to try again.

One plan being considered by Senate Republicans calls for a tax cut to be



SOUTHERN EXPOSURE — Ray Watson removing ice-covered branches in Huntsville, Alabama, while Dexter Cole soaked up the sun's rays at Pass-a-Grille, Florida.

Can New Congress Rise Above Predetermined Role?

By Adam Clymer
New York Times Service

WASHINGTON — Rarely has a new Congress had its future shaped so firmly by its predecessor. With only a few days left of its old life, the 105th Congress seems to have foisted the early agenda and tone of the 106th.

Impeachment is the main, if not quite the only, reason. The weakness and instability of congressional leadership is

and his footprints are faint. He is not really an ideologue, but he has to worry about ideologues' dominance of his caucus.

And it will be a while before his political blunder of criticizing the bombing of Iraq and then saying he had not really meant it is forgotten. It is not as dramatic as voting for impeachment and then saying, "Oh, never mind," as some House Republicans did the week before last, but it is close.

Nor did the House really liberate itself from impeachment just by sending the matter to the Senate. The bitterness between the two parties is at peak levels, and while the country may not regard Mr. DeLay with the scorn it came to feel for Mr. Gingrich, Democrats think of him as an ultrapartisan hack, and they regard him, not Mr. Hastert or Mr. Arney, as the real boss of the House Republicans.

And the House has trapped the Senate, setting its agenda by referring two articles of impeachment demanding that President Bill Clinton be tried, convicted and removed.

This is not a welcome task, like highway bills or an opportunity to share credit for tax cuts. Most senators would rather have a fully fought-out trial with Monica Lewinsky as a star witness.

They have lots of reasons. Some actually have bills they would rather be working on. Others find the subject simply disgusting. Many think the charges are faulty. Most think there is no prospect of getting the 67 votes for conviction. And none like the idea of

abiding by the Senate rule requiring them to sit silently through the proceedings, a spectacle that a former majority leader, Howard Baker, recently called "mind-boggling."

But getting together on a way to squeeze this issue back into the toothpaste tube may prove beyond Mr. Lott, whose thinking on the matter is unknown.

Most people who want censure want the president to admit he lied, and Mr. Clinton says he will not. Some senators want to see a trial go to a verdict, to embarrass even if they cannot expel the president.

Senate traditionalists want to make

sure the rules are carefully obeyed, although the rules are 130 years old. And senators instinctively bristle at advice from the outside, whether it is Mr. DeLay urging conviction or former presidents and former senators calling for censure.

Some resolution may come quickly, though the Senate is not known for speed. But if it does not, the standard of disagreeability could approach the House level.

Of course, politicians of both parties are eager to show that government can work and that they can do important things for the nation even in the current atmosphere.

POLITICAL NOTES

'Superbugs' Funding Sought by Clinton

WASHINGTON — President Bill Clinton will soon propose a \$25 million initiative to combat the spread of infectious diseases, including virulent new strains of microbes that resist treatment by antibiotics and other drugs, according to administration officials.

Public health officials have become alarmed about the emergence of such "superbugs" and more generally about the increasing incidence of infectious diseases once thought to be under control.

The extra money will be included in the budget request that Mr. Clinton sends to Congress early next year, administration officials said. It represents a 31 percent increase in the federal program to address emerging infectious diseases.

Dr. Jeffrey Koplan, the new director of the Federal Centers for Disease Control and Prevention, said the additional money would be used to investigate outbreaks of infectious diseases, to upgrade the laboratories of state and local health departments, to develop new diagnostic tests and to educate doctors and patients about the dangers of excessive use of antibiotics.

New Fight Planned On Drunken Drivers

WASHINGTON — Summoning a somber image of unopened packages beneath a Christmas tree ("presents

for a child killed by a drunk driver"), President Clinton has promised to renew his fight against drunken driving.

"For a generation, drunk driving has been one of America's greatest public-safety challenges," Mr. Clinton said Saturday in announcing new steps by the Justice and Transportation departments.

Mr. Clinton said he would try again to gain passage of a nationwide .08 blood-alcohol standard for drunken driving. Congress rejected that proposal in May as it passed a transportation bill, and safety groups accused lawmakers of capitulating to the liquor lobby.

The president promised grants to states and other incentives to enforce laws against drinking by minors, to reinforce programs to prevent drunken driving and to pass and enforce strong state highway-safety legislation.

With alcohol flowing at parties and millions of families taking to the road to see friends and relatives, the holiday season can also be a season of tragedy," Mr. Clinton said. (NYT)

Quote/Unquote

Dan Carter, a historian at Emory University in Atlanta, as the impeachment of President Clinton moves to the Senate, noting that conservative Southerners hold virtually all of the Republican leadership positions in Congress: "I've been surprised that there's been so little discussion of how much this whole process has been driven by the Southernization of the Republican Party. Maybe it's like the purloined letter: it's sitting there on the shelf right in front of you, so you don't see it."

Smallest Octuplet Dies in Houston

The Associated Press

HOUSTON — The smallest of the octuplets born here this month died early Sunday from heart and lung failure, a week after she was born weighing just 10.3 ounces.

Texas Children's Hospital announced the death of the baby, Chiquita Chidora, who was nicknamed Odette.

She and her seven siblings had been in intensive care since her birth Dec. 20 as part of the world's first surviving set of octuplets.

The baby's condition began to deteriorate significantly Saturday, when doctors moved her from a conventional ventilator to an oscillator in an effort to improve her blood oxygenation.

"The long and short of it is that the discretionary caps, even if we kept defense at levels we had been projecting, would be incredibly tight," said Thomas Kahn, staff director and chief counsel for Democrats on the House Budget Committee. By increasing military spending, he said, "it's going to take a huge whack out of nondefense discretionary" spending, "and shows even more clearly how difficult it's going to be to live within the caps."

Members of both parties say the spending caps remain a valuable source of fiscal discipline for Washington and a source of considerable reassurance to Wall Street, which remains wary of the federal government's penchant for living beyond its means.

But while the caps are almost certain to remain in place, both parties are likely to search for ways around them, as they did in the negotiations that concluded the budget for the current fiscal year.

Away From Politics

The rate of violent crime in the United States fell almost 7 percent in 1997 to the lowest level since the National Crime Victimization Survey was started 25 years ago, the Justice Department announced. In 1997, the last year for which full statistics were compiled, there were an estimated 39 violent crimes per 1,000 residents 12 years or older, compared to 42 per 1,000 the year before. The figure represents a 21 percent drop since 1993. (Reuters)

A tourist who suffered massive head injuries in an accident aboard Disneyland's Columbia sailing ship died after he was taken off life support. Two other people were injured. After doctors declared him brain-dead, Luau Phi Dawson, 34, was taken off life support systems at the University of California's Irvine Medical Center. His widow, 48-year-old Lieu Vuong, was in fair condition, a hospital spokesman said. The

couple, from Duvall, Washington, was struck when a docking rope tore a large cleat from the bow of the Columbia, sending the cleat hurling into a crowd. Disneyland said in a statement. An employee, Christine Carpenter, was in stable condition after foot surgery. (AP)

The ice is starting to melt on California's orange and lemon trees, and growers are cautiously optimistic that the worst of a freeze that has hobbled the state's \$1.5 billion citrus industry in the past week is over. The state estimates at least \$591 million in damage this year to oranges, lemons and tangerines. (AP)

Six children, the youngest 2 years old, were killed when a fire roared through the upstairs bedrooms of their grandparents' home in Detroit. Three adults and a 10-year-old child escaped by jumping out of windows. The victims were not identified. (AP)

VALUES: America Divides Over Clinton Along Lines Drawn in Upheavals of '60s

Continued from Page 1

Investigation of Mr. Clinton's relationship with Monica Lewinsky, most Republicans demand a moral example and most Democrats reject it.

But sociologists and other students of American life interviewed last week said that the divisions went much deeper and had their roots in long-standing controversy generated not just by Mr. Clinton but by his baby-boom generation.

While most Americans want Mr. Clinton to finish his term and prefer censure as an alternative to removal from office, few say he is a good role model. Seven in 10 Americans — including a majority of baby boomers — said in the survey that Mr. Clinton did not have high personal moral or ethical standards. Six in 10 — again including a majority of baby boomers — also said his standards were no better or worse than "most people of his generation."

The public sees a nation that lacks agreed-upon ethical guidelines for itself. More than six out of 10 said the country was "greatly divided when it comes to the most important values." Ironically, on this one question there was unity. Republicans and Democrats, men and women, young and old all said they see a society split on moral and ethical issues.

With some exceptions, the experts tend to agree. Some describe it as a battle of extremes — the puritanism of the religious right versus the permissiveness of the aging children of the 1960s. Others see the acceptance of Mr. Clinton's actions as proof that

Americans are utterly cynical about their political leaders, mutter speculators at a television drama that they despise but cannot escape.

Some say it is a symptom of national ambivalence, of individuals longing for moral values but resistant to imposing their standards on others. And the more hopeful say the preference for censoring the president — rather than absolving him or removing him — is a healthy effort at synthesizing those opposing tendencies.

But few of the scholars are comfortable with the status quo.

"No analysis can absolve the people themselves of responsibility for the quandary we appear to be in," said Don Eberly, director of the Civil Society Project in Harrisburg, Pennsylvania. "Nonjudgmentalism, the trump card of moral debate, seems to have gained strength among the people, especially in the sexual realm, and this clearly does not bode well for America."

Over the last 30 years, polling shows, the proportion of people saying they think their fellow citizens generally are as honest and moral as they used to be has fallen significantly. In a 1952 survey, as many answered yes as said no. In 1965, there were three yeses for every four noes. But this year there were almost three noes (71 percent) for every yes (26 percent).

In the same period, trust in government also has declined radically. In 1968, 61 percent said they trusted the government in Washington to do the right thing most or all the time; in 1998, only 33 percent felt that way.

A pollster, Dan Yankelovich, writes that "the transformation in values from the mid-'60s to the late-'70s confronts us with one of the sharpest discontinuities in our cultural history." In that period, he notes, the concepts of duty, social conformity, respectability and sexual morality

were devalued, in favor of expressiveness and pleasure seeking.

This was a time when Bill Clinton, moving through his 20s at George, Oxford and Yale, rejected military service and experimented with marijuana. But in general, according to a biographer, the Washington Post reporter David Maraniss, Mr. Clinton followed a "moderate course during an increasingly immoderate period." The stamp of that period remained on Mr. Clinton, in at least two areas: the evasiveness that characterized his dealings with the "three" of military service and the permissiveness he allowed in his sexual life.

In judging Mr. Clinton's morals to be typical of his generation — only 7 percent thought them better; 27 percent worse — most of those surveyed made it clear they disapproved. From the perspective of individual

responsibility, the divided public verdict on the Clinton case represents an unresolved debate about fundamental values. At the extremes, the conflict amounts almost to the "culture war" some trace directly back to the 1960s.

Randy Tate of the Christian Coalition and William Bennett, a former education secretary, have accused Mr. Clinton of subverting standards of honesty and decency so blatantly that he cannot be allowed to remain in office. The Harvard professor Alan Dershowitz and many Democrats in the House have accused Mr. Clinton's opponents — notably the independent counsel Kenneth Starr — of practicing "sexual McCarthyism," trampling civil liberties and invading people's privacy.

Christopher Gates, president of the Denver-based National Civic League, said that the pollster George Gallup Jr. had described the 1960s and '70s as "the time when our country fell apart and the bonds began to dissolve. You had a war between the generations, you had Vietnam, break-ins, resignations, pardons. You had a huge dissolution of trust."

Michael Sandel, director of the Harvard Institute for Policy Studies, said the consequences went further.

"We've witnessed a politics of scandal, sensationalism and spectacle that has turned the president into another figure in the celebrity culture," he said. "It reflects a cynicism beyond mistrust. It reflects a view that government really doesn't matter, except as it provides occasional spectacular entertainment. It is not good news for democracy."

Cagayan Economic Zone Authority

7/F Westar Building, 511 Shaw Boulevard, Pasig City 1603

tel (632) 636-5780 TO 51 FAX (632) 531-3997

INVITATION TO PBE-QUALIFY AND SUBMIT COMPARATIVE PROPOSALS

The Cagayan Economic Zone Authority (CEZA) received an Unsolicited Proposal for the Redevelopment and Rehabilitation of Port Irene in Casambalangan Bay in Santa Ana, Cagayan, Philippines under a Build-Operate-Transfer (BOT) arrangement. Port Irene is a deep harbor port located at the northeastern tip of the Philippines. It lies between and along the international shipping route of North America and China. The Unsolicited BOT Proposal has been reviewed and approved for publication for submission of Comparative proposals by the Investment Coordination Committee (ICC).

Pursuant to the Implementing Rules and Regulations of R.A. No. 6957 as amended by R.A. No. 7718, the CEZA through its Pre-Qualification, Bids and Awards Committee hereby invites interested parties to submit pre-qualification documents and comparative proposals not later than 12:00 noon on 26 March 1999 at the CEZA office located at 7/F Westar Bldg., 511 Shaw Blvd., Pasig City, 1603, Metro Manila, Philippines.

The pre-qualification and tender documents may be obtained at CEZA Office, 7/F Westar Bldg., 511 Shaw Boulevard, Pasig City, 1603, Metro Manila, Philippines during office hours starting from 4 January 1999 up to 15 January 1999 upon payment of a non-refundable amount of Ten Thousand Pesos (P10,000.00) or Two Hundred Fifty US Dollars (\$250.00) and submission of Letter of Intent.

CEZA reserves the right to reject any or all proposals, to waive any informality in the bids received, and to award the contract to bidder whose offer, as evaluated by the PBAC, is the most reasonable and advantageous to CEZA and to the Philippine Government.

(SGD.) IRENEO V. VIZMONTE
Chairman, PBAC

2 Pol Pot Aides Defect From Khmer Rouge

Both Seek Amnesty From Genocide Charges

By Seth Mydans
New York Times Service

PHNOM PENH — Two of the last three longtime aides of Pol Pot, the former Khmer Rouge leader, have emerged from their jungle hideouts in the hope of becoming "ordinary citizens," the government announced over the weekend.

It made public copies of handwritten letters by the two men — Khiem Samphan and Nuon Chea — pledging allegiance to the government as well as a reply from Prime Minister Hun Sen welcoming them in from the cold.

The defections were the latest, and among the most important, in a long-time Communist insurgency that began col-



Khiem Samphan, left and Nuon Chea, center, shown with the late Khmer Rouge leader Pol Pot in 1986.

lapsing more than two years ago. They leave just one widely hated man, Ta Mok, at large from among the inner circle of Mr. Pol Pot, who died in April.

Both of the men are among the targets of a potential international tribunal for crimes against humanity committed from 1975 to 1979, when the Khmer Rouge caused the deaths of more than a million people.

But despite their defections, the two men are not yet in government hands, and the possibility of bringing them to trial remains in question.

[A military commander said Sunday that the two Khmer Rouge leaders would not leave their base town, Pailin, without guarantees they will not be sent to face genocide charges abroad. Reuters reported.]

"They will not emerge until officials return from Phnom Penh with that guarantee," the military commander said. "These people are elderly men. They won't live much longer than 20 years — why not let them live peacefully for the rest of their lives?"

[But a government spokesman, Khiem Kanbarith, said in Phnom Penh that no government could provide such a guarantee. "If you are talking about international conventions, no government can grant amnesties for those who committed genocide," he said.]

[He and other government officials said, however, that if the two were to stand trial, the government preferred it before an international tribunal, rather than a Cambodian court, since the two men could apply for a royal amnesty.]

Like previous defectors from among the leadership, officials said, both men have relocated to the remote gem-mining town of Pailin, a former Khmer Rouge stronghold. Though Pailin is now

formally under government control, it is guarded by 2,000 armed former guerrillas and is on a border with Thailand, which has been a safe haven for Khmer Rouge leaders for years.

The clear hope of the two elderly men is that they will be left alone, as previous defectors have been, and that Cambodia will choose not to stir up past demons with a trial.

"My only request is to return to society and live as an ordinary citizen," said Mr. Nuon Chea, 71, who was sometimes counted as "Brother Number 2" under Mr. Pol Pot. He is believed by investigators to have been responsible for horrific purges that resulted in the proliferation of Cambodia's "killing fields."

His words were echoed, in almost identical language, by Mr. Khiem Samphan, 67, who was the official head of state and the friendly, reasonable face of Mr. Pol Pot's brutal regime. His doctoral thesis, written in France in the 1950s, is sometimes seen as the blueprint for the movement's evacuation of cities and destruction of culture, learning, religion and industry.

Under the rubric of "national reconciliation," Cambodia has so far preferred to try to forget, if not to forgive, the traumas of its past. But even if forgotten, they continue to infect the present.

It was partly because of his negotiations with Mr. Khiem Samphan that Prince Norodom Ranariddh was ousted in a coup last year by Mr. Hun Sen.

But after an election, Prince Ranariddh is back, sharing a coalition government as speaker of the National Assembly, and it is Mr. Hun Sen who is negotiating with Mr. Khiem Samphan.

Though many Cambodians, weary and brutalized by years of war and mass killings, say they prefer to let bygones be bygones, others say they fear the lesson that may be sent if Khmer Rouge leaders walk free.

"We cannot forget the past like this," said Thun Saray, leader of a human rights advocacy group called Adhoc. "If we do not send these people to a tribunal, future leaders might say, 'Oh, I'm only applying some new ideas for the good of the people; I'm only killing 100,000 more people; why punish me, because I

am only acting in the interests of the Cambodian people.'"

If Mr. Hun Sen chooses to cooperate with preparations by the United Nations for a tribunal that would be held in Cambodia, both of the defectors could be extricated from Pailin, said Stephen Heder, a London-based expert on the Khmer Rouge. He added that a cut in Pailin's economic lifeline by the Cambodian government on one side and the thons on the other could persuade the younger leaders, who now control the isolated enclave, to cut loose these old revolutionary war heroes.

On the other hand, Mr. Hun Sen might find it in his political interests to let the defectors live out their old age as the "ordinary citizens" they dream of being.

But if Mr. Ta Mok is caught, the international outcry against this lone remaining fugitive would be difficult to silence, Mr. Heder said. A fiery, one-legged peasant soldier who is believed to be in his 70s, he has such a reputation for brutality that even among the Khmer Rouge he is known as "the butcher."

North Korea Warns of New Missile Shot

By David E. Sanger
New York Times Service

WASHINGTON — North Korea has warned the United States that it is prepared to launch another medium-range missile. And the Clinton administration has privately told the North that such a step would jeopardize international aid it was promised in exchange for freezing its nuclear weapons program.

The latest warning, published Friday by the official Korean Central News Agency, said it was "foolish for the U.S. to expect any change in our attitude." But U.S. officials have said in recent weeks that they have seen no activity to suggest that a launching was imminent.

When North Korea launched a three-stage missile over Japan on Aug. 31, it took the U.S. intelligence community by surprise. Until then, American officials did not believe that the North possessed the technology for a three-stage ballistic missile, which gives the country the ability to reach all of the major U.S. military bases in South Korea and Japan.

North Korea maintains that the launching was intended to propel a small satellite into low Earth orbit. While North Korean news agencies say the satellite now is broadcasting patriotic North Korea songs, U.S. officials say their review of the evidence suggests the satellite either failed to get into orbit or dropped out of orbit within hours of the launching.

"We haven't heard a thing," a senior administration official said last week, "because it's not up there anymore."

The political significance of a second launching would likely be far greater than any marginal technological achievement it might represent for the North.

The administration has been trying to rescue a 1994 accord under which North Korea agreed to freeze its nuclear weapons program in exchange for fuel oil and the construction of two civilian nuclear power plants. The United States committed itself to paying for the fuel oil; Japan, South Korea and other nations are paying for the nuclear plants.

But the discovery earlier this year of a huge dig under a mountain, which the United States suspects is intended for nuclear weapons development, and the missile launches have cast doubt on the accord.

This month the North dropped a demand that it be paid in return for allowing international inspectors to see the new site; instead, it suggested that it would be willing to allow inspectors in if the United States provided more food aid. Some aid has already been sent to alleviate starvation in the country.

Continued from Page 1

by 70 to 80 farmers in one Human county and another incident in which a farmer who refused to pay a tax was killed.

Numerous farmer protests have been reported around the country in recent years and national leaders have spoken out against high, unfair burdens put on peasants by local and county governments.

Radio Free Asia, which was established by the U.S. Congress in 1996 and receives all its funds from Congress, broadcasts news and other programs into China from transmitters in Central Asia and the Pacific.

The Chinese government regards the network as hostile and tries, with some success, to jam the broadcasts, which often emphasize democracy-related sub-

jects that are banned in the national media.

"We deeply regret this action," said Daniel Southerland, executive editor of Radio Free Asia, speaking by phone from Washington on Sunday.

In the March interview, Mr. Southerland said, journalists called Mr. Zhang to verify reports of the farmer protests and "he didn't say anything that wasn't widely known — certainly it wasn't national security information."

"If they want to do someone in like this, they can always find an excuse," Mr. Southerland said.

Radio Free Asia, which broadcasts in native languages to eight countries where news is censored, frequently quotes Chinese residents on its programs, although it does not use names when it appears the speaker will be endangered.

that China's leaders were ready for a decade of political reform: Mr. Jiang discussed Tibet and the Tiananmen massacre with President Bill Clinton during an hour of live television. China said it would sign the International Covenant on Civil and Political Rights.

Chinese officials played host to Mary Robinson, the United Nations High Commissioner on Human Rights.

But in their optimism, many people overestimated the significance of such events, overlooking the obvious: China remains a one-party state, with the rule of the Communist Party written into its constitution.

"These were all important steps, but I think they were misinterpreted by dissidents and by many in the outside world," said Andrew Nathan, a pro-

in fact, many signs in 1998 suggested

that China's remaining dissidents are now waiting to see if the government will stop with the jailing of a few leaders or continue with more arrests.

In general, only those who have been actively involved in organizing the new political party or independent worker groups have been imprisoned for any length of time. In contrast to earlier decades, Chinese people today are fairly free to voice dissenting opinions in private — so long as they do not act on them.

In two recent speeches, widely publicized by the official media, the Chinese president and Communist Party chief, Jiang Zemin, stressed the overriding importance of protecting social stability and said that any threats to the supremacy of the Communist Party would be annihilated in the early stages.

essor of political science at Columbia University in New York. "They decided that initiatives for change could come from outside rather than inside the Communist Party. But that was never true."

Still, the Clinton visit in June seemed remarkably open and dissidents like Mr. Wang thought the time was ripe to propose an alternative party. A few months later, initial attempts to register the party in two provinces were not immediately squashed. So the members felt further emboldened.

In fact the China Democracy Party never even came close to registering — no closer than hearing from a few local officials that if its members could show things like an official meeting place and a list of members, they were free to turn in an application.

But for activists who had previously landed in jail for their democratic leanings, it seemed like progress, even though no one knew for sure just why China's leaders had turned cordial. Was it all a show for the West, and particularly for Mrs. Robinson, whose visit was just weeks away? Or was there genuine debate about political reform among the top leadership? The optimists chose to act on the chance that the opening was real.

"Especially around August and September there seemed to be a thaw," said Chen Zhongtang, a China Democracy Party member in Wuhan. "And some said the belief that Jiang Zemin might offer a different approach. That turned out to be an illusion."

Foreign governments and visiting dignitaries tuned in to the liberalizing signals as well, and they, too, found their hopes raised. Journalists proclaimed a Beijing spring. Lawyers from England, Germany and the United States came to assist China's much-publicized quest for "rule of law."

But many of these Westerners have little experience in China. And they have not spent much time with the older generation of men who run China. Following their own democratic interests, they have focused instead on the younger, more progressive, often Western-trained officials and academics.

It was easy to leave with optimistic impressions. Now the trials are reminders that, although China is undoubtedly moving toward a bit more openness, the direction is not necessarily toward Western democracy.

Western lawyers who recently took part in freewheeling law forums here said they were shocked that the dissidents were not even accorded lawyers or open trials, as are guaranteed by Chinese law.

Many China scholars say they hope, at best, for incremental change.

"I think there's enough ferment that will cause boundaries on political discourse to slowly expand outward," said Stanley Lubman, a consulting professor at Stanford University Law School.

CHINA: Another Democracy Activist Gets a Long Prison Term

Continued from Page 1

by 70 to 80 farmers in one Human county and another incident in which a farmer who refused to pay a tax was killed.

Numerous farmer protests have been reported around the country in recent years and national leaders have spoken out against high, unfair burdens put on peasants by local and county governments.

Radio Free Asia, which was established by the U.S. Congress in 1996 and receives all its funds from Congress, broadcasts news and other programs into China from transmitters in Central Asia and the Pacific.

The Chinese government regards the network as hostile and tries, with some success, to jam the broadcasts, which often emphasize democracy-related sub-

jects that are banned in the national media.

"We deeply regret this action," said Daniel Southerland, executive editor of Radio Free Asia, speaking by phone from Washington on Sunday.

In the March interview, Mr. Southerland said, journalists called Mr. Zhang to verify reports of the farmer protests and "he didn't say anything that wasn't widely known — certainly it wasn't national security information."

"If they want to do someone in like this, they can always find an excuse," Mr. Southerland said.

Radio Free Asia, which broadcasts in native languages to eight countries where news is censored, frequently quotes Chinese residents on its programs, although it does not use names when it appears the speaker will be endangered.

that China's remaining dissidents are now waiting to see if the government will stop with the jailing of a few leaders or continue with more arrests.

In general, only those who have been actively involved in organizing the new political party or independent worker groups have been imprisoned for any length of time. In contrast to earlier decades, Chinese people today are fairly free to voice dissenting opinions in private — so long as they do not act on them.

In two recent speeches, widely publicized by the official media, the Chinese president and Communist Party chief, Jiang Zemin, stressed the overriding importance of protecting social stability and said that any threats to the supremacy of the Communist Party would be annihilated in the early stages.

Foreign governments and visiting dignitaries tuned in to the liberalizing signals as well, and they, too, found their hopes raised. Journalists proclaimed a Beijing spring. Lawyers from England, Germany and the United States came to assist China's much-publicized quest for "rule of law."

But many of these Westerners have little experience in China. And they have not spent much time with the older generation of men who run China. Following their own democratic interests, they have focused instead on the younger, more progressive, often Western-trained officials and academics.

It was easy to leave with optimistic impressions. Now the trials are reminders that, although China is undoubtedly moving toward a bit more openness, the direction is not necessarily toward Western democracy.

Western lawyers who recently took part in freewheeling law forums here said they were shocked that the dissidents were not even accorded lawyers or open trials, as are guaranteed by Chinese law.

Many China scholars say they hope, at best, for incremental change.

"I think there's enough ferment that will cause boundaries on political discourse to slowly expand outward," said Stanley Lubman, a consulting professor at Stanford University Law School.

ASIA: Recession's Effects Include New Resistance to Openness

Continued from Page 1

executives complain that China, Vietnam, Burma, Laos, Cambodia and Malaysia are increasingly inclined to abandon free-market reforms and instead protect local companies and other interests hit by the downturn by raising barriers to foreign capital, businesses and goods.

In all these economies, export growth is sputtering and foreign investment is failing. There is a loss of confidence in local currencies. Banks are burdened with huge bad loans that the companies that owe the money cannot repay anywhere near full.

Former President Fidel Ramos of the Philippines worries that the crisis may spawn a return of the virulent nationalism, protectionism, managed trade, tight restrictions on capital movements and dictatorial politics that were rife in East Asia in the 1950s and 1960s.

"Everywhere in the region, the crisis threatens mass unemployment, epidemic crime, labor strikes, street demonstrations — all indications of severe fragmentation of national cohesion," he said in a recent interview with The Australian. "In the poor countries, we risk a political backlash not just against free trade and capital flows but against all the rich countries and the transnational corporations that dominate the global economic system."

Mr. Ramos warned that as a result, the tentative support for economic reform in the poorer countries could weaken, and "the temptation to return to dictatorial politics and governance could increase."

Government leaders in Indonesia — which has been wracked by worsening social tensions since the forced resignation of President Suharto in May — warned recently that excessive political freedom was threatening national unity and stability.

China has adhered to China's strategy of pursuing limited economic reform without allowing political change that could threaten Communist control.

Like China, it has so far been shielded from East Asia's financial turmoil by having a nonconvertible currency, except for limited trade purposes.

The apparent ability of China and Vietnam to withstand the Asian economic crisis so far showed the "advantage of socialism," the Xinhua news agency quoted Prime Minister Zhu Rongji as telling his visiting Vietnamese counterpart, Phan Van Khai, in Beijing in October.

China says it expects its economy to grow 8 percent this year after inflation, while Vietnam forecasts real growth of 6 percent.

But as in China, economic growth in Vietnam is starting to slow, and the social impact is being felt in cities and town across the country as well as in the countryside.

In response, the government is warning that dissent will not be tolerated and that stability must be a paramount national concern.

In the past 20 years of East Asia's boom, four countries in the region have replaced authoritarian governing systems with what appear to be durable democracies — South Korea, Taiwan, Thailand and the Philippines.

Some analysts fear that the increased political openness that emerged from rising standards of living and education, and increased travel and communication, may be wiped out in much of the region by recession and its effects.

heightened sensitivity surrounding the court case and the possible damage to the government is the issue of a politically sensitive audio tape that was introduced in court Wednesday by Mr. Anwar's lawyers.

The tape is a conversation between a key prosecution witness, Ummi Hafida Ali, and a businessman

EUROPE

Belarus Leader's Soviet Dream Turns Into Economic NightmareBy Michael Wines
New York Times Service

MINSK, Belarus — For four long years, President Alexander Lukashenko has pursued an unlikely obsession: to raise tiny Belarus from the shards of the shattered Soviet Union and remake it into a model socialist state.

Lately, it seems he has succeeded all too well.

The fruits of Mr. Lukashenko's labors are evident daily outside the aptly named Golden Egg, a shop in the center of this city of 3.7 million, where nearly 100 people lined up in foot-stamping cold on a recent December morning.

Their objective was to get inside the store and buy the allotted maximum of 20 eggs each.

Most had been waiting for three hours; since the store opened at 8 A.M., "I can't feel my feet," a fur-swaddled woman said. "This is Lukashenko's fault." She refused to give her name, and said, "The farther away this is published, the better."

In more ways than one — the food rationing, the lines, the ever-shrinking ruble, the undercurrent of fear — Minsk in 1998 resembles Moscow eight or nine years ago, not long before the Soviet Union began to crumble. For Mr. Lukashenko, that rare head of state who openly longs for a Soviet restoration, such problems could not have come at a worse time.

Belarus' socialism dovetails with a larger ambition: Mr. Lukashenko harbors a merger of Belarus with Russia, thus beginning a rebuilding of the old Soviet empire. It also would enable him to seek the new country's presidency, although he recently insisted this was the farthest thing from his mind.

Such a union would be hard enough given that Russia has been heading in the opposite direction economically. It

would be harder still if the stumbling Belarusian economy ground to a complete halt, saddling Moscow with the cost of maintaining another 10 million impoverished people.

But it is something that both governments appear to desire. On Christmas Day, Mr. Lukashenko and President Boris Yeltsin of Russia proposed to begin next year to unify the two countries' economies under a single currency.

It is also a prospect that elevates Mr. Lukashenko from garden-variety autocrat to a man the West is beginning to watch with some dismay. Mr. Lukashenko has spent considerable time stamping in Russia's so-called Red Belt, a devoutly Communist strip of Russia south of Moscow, and the region's governors frequent visitors to Minsk. He has surfaced in Russian presidential polls, and few believe his denials of interest in ruling a united Russia and Belarus.

Unlike Russia's Communists, a politically clumsy and mostly unpopular faction, Mr. Lukashenko might be a contender — if he gained an entry to Russian politics.

A charismatic ruler with a hand-picked Parliament and a base of peasant support, he appears concerned enough about the future to begin shoring up his position. He announced plans this month to block his few political opponents and created a so-called emergency headquarters, charged with restoring staples like eggs and milk to store shelves.

He also has persuaded the World Bank and the International Monetary Fund to withhold judgment on Belarus — this year they had all but renounced any notion of lending more money to the government — by promising economic reforms.

By Western standards, there is a lot to reform. Mr. Lukashenko, who runs a collective farm before entering politics, calls his brand of economic policy "market socialism." The government owns or controls much of industry and agriculture but also allows private enterprises to exist. In theory, at least, the government side of the economy competes in the world market as well as with domestic rivals.

In practice, Mr. Lukashenko has followed a straightforward fiscal policy: He prints money when the nation runs short, and he caps prices when he abounds.

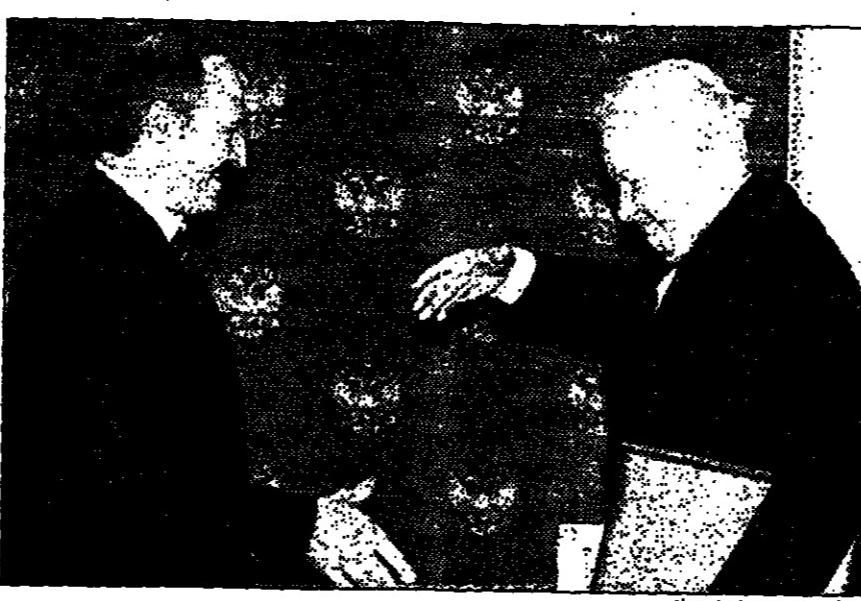
Belarus' socialism dovetails with a larger ambition: Mr. Lukashenko harbors a merger of Belarus with Russia, thus beginning a rebuilding of the old Soviet empire. It also would enable him to seek the new country's presidency, although he recently insisted this was the farthest thing from his mind.

Such a union would be hard enough given that Russia has been heading in the opposite direction economically. It

would be harder still if the stumbling Belarusian economy ground to a complete halt, saddling Moscow with the cost of maintaining another 10 million impoverished people.

But it is something that both governments appear to desire. On Christmas Day, Mr. Lukashenko and President Boris Yeltsin of Russia proposed to begin next year to unify the two countries' economies under a single currency.

It is also a prospect that elevates Mr. Lukashenko from garden-variety autocrat to a man the West is beginning to watch with some dismay. Mr. Lukashenko has spent considerable time stamping in Russia's so-called Red Belt, a devoutly Communist strip of Russia south of Moscow, and the region's governors frequent visitors to Minsk. He has surfaced in Russian presidential polls, and few believe his denials of interest in ruling a united Russia and Belarus.



Presidents Lukashenko and Yeltsin after the signing of the currency accord.

they are too high. The result is inflation and shortages.

"Everyizing's controlled from the top," said Stanislav Bagdanovich, who quit as head of the national bank in 1995 and now heads an opposition party. "The private sector is dictated what to produce, and what price to sell it at. It's a Bolshevik forced economy."

The average citizen's monthly income has slumped since July to about

\$40 from \$70. And that depends on how one measures income: At last count, there were five separate exchange rates for the Belarusian ruble, with the value of a dollar ranging from 91,000 to more than 350,000 rubles.

The network of price controls has fostered a black market in food, to farmers' ruin. The country's artificially low prices force farmers to sell their crops at a loss, while entrepreneurs snap

up the food and smuggle it to Ukraine or Russia, where it is resold for a healthy profit. It is now illegal to export food without a permit.

In fact, the problem in Belarus is not so much that food is not available — privately run markets have abundant supplies of many staples — as that Belarusians cannot afford it.

In the jam-packed public market in Minsk, state-owned meat vendors this month offered slabs of grisly, bone-ridden beef for 170,000 rubles (somewhere between 40 cents and \$2, depending on the exchange rate), the price dictated by the state. Across the aisle, private vendors were selling thick, lean steaks for 450,000 rubles.

Even 170,000 rubles was too much for one elderly woman, who said as she walked away that she lived on a pension of only 1.5 million rubles a month.

Industry is in no better shape. Westerners buy little, in part because factories in Belarus are so hobbled by economic controls that they spend little money to modernize and are no longer competitive. Russia, the biggest trading partner by far, is now too hardened itself to buy many of the televisions and tractors produced in Belarus. Yet factories continue producing.

Desperate as conditions might appear, however, virtually nobody is writing off Mr. Lukashenko. Even opposition leaders here allow that he remains popular, especially in rural areas.

BRIEFLY

Chechnya Finds Foreigners' Bodies

GROZNY, Russia — The bodies of four foreigners who were beheaded this month in Chechnya will be sent to Britain and New Zealand as early as Monday, officials said Sunday.

The bodies of the four men were found Saturday evening in the village of Chemorechiye, on the outskirts of the Chechen capital, Grozny. Doctors confirmed the identity of the bodies Sunday, according to Chechnya's prosecutor-general, Mansur Tagirov. (AP)

Britain to Test Cannabis Therapy

LONDON — Britain is moving toward official approval of its first mass testing of the therapeutic effects of cannabis, involving more than 1,000 patients. The Sunday Telegraph reported.

The paper said guidelines for the tests would be set out by the Medical Research Council and the Royal Pharmaceutical Society on Jan. 11.

The move follows increasing anecdotal evidence that cannabis can help alleviate the pain from some medical conditions. (AP)

Ankara Seeks to Aid Prospective Leader

ANKARA — Prime Minister designate Yalim Erzurum will start trying to form the sixth Turkish government in three years Monday, bolstered by weekend gestures of support from the head of state.

President Suleyman Demirel said Saturday that he would not use his constitutional power to call snap elections even if Mr. Erzurum proved unable to forge a government in the next two weeks. (Reuters)

A Pax Romana?

ROME — A leading Italian labor union is urging a moratorium on public-service strikes in Rome during the 2000 Jubilee, when 20 million pilgrims are expected for festivities kicking off Christianity's third millennium.

Transport Minister Tiziano Treu welcomed the call Sunday but said it did not go far enough. (AP)

Russians Deploy New Missile as Military BickersBy David Hoffman
Washington Post Service

by the Russian Parliament, although it may come to a vote early next year.

Years behind schedule, the Topol-M suffered a setback in October when in its fifth test flight failed. The sixth flight, on Dec. 9, was successful.

The deployment comes as Mr. Sergeyev is caught in a bitter dispute over the future of Russia's nuclear forces, which have become the backbone of its deterrent as conventional armies and weapons are seriously deteriorating.

The debate has become heated over the command of nuclear forces, which was rarely discussed in public before. The arguments have been laid out in dueling essays published in the military weekly Nezavisimoye Voyennoye Obozreniye.

At issue is Mr. Sergeyev's recent proposal to establish a single command over all nuclear forces. Mr. Sergeyev said Nov. 3 that President Boris Yeltsin had initiated a document approving the idea. But there has been stiff resistance from the general staff.

Currently, control over nuclear weapons passes through the general

staff, which would oversee the various services in combat. Mr. Sergeyev has proposed creating a separate organization that would be in charge of all Russian nuclear weapons, whether on submarines, long-range bombers or land-based missiles. Mr. Sergeyev also has proposed including in the new command the 12th Main Directorate of the Defense Ministry, which is in charge of maintaining the nuclear stockpile.

Mr. Sergeyev has said he would like the new command to be headed by his protégé, General Vladimir Yakovlev, the current head of the rocket forces, who would be elevated to first deputy minister of defense. A source said Mr. Sergeyev saw implementation of his plan as urgent because it is unlikely he will serve beyond the expiration of Mr. Yeltsin's term in summer 2000.

Mr. Sergeyev's proposal is in keeping with Russia's current national security doctrine, which emphasizes the importance of preserving its nuclear deterrent at a time when conventional forces are decaying. But the nuclear forces are not

without serious problems. Because of obsolescence, arms-control treaties and lack of money, Russia's strategic forces are shrinking rapidly. Submarines, missiles and aircraft from the Soviet era are all reaching the end of their designated life span. The Topol-M has been one of the very few modernization projects carried out.

But members of the general staff have scoffed at the idea of investing more money in a new organization while the military budget is extraordinarily slim. They have also pointed out the potential for confusion if conventional forces are under one command and nuclear forces under another.

Alexander Lebed, the Krasnoyarsk governor and a former general, has joined opposition to Mr. Sergeyev's plan, which he denounced as "impossible to create."

Mr. Lebed said, "We must not complicate an already complicated system."

The Topol-M missiles are the first developed within Russia; Soviet models relied heavily on Ukraine, which is now an independent country.

GERMANY: Election Gains Give Ex-Communists Respectability

Continued from Page 1

imposed after the fall of the Berlin Wall.

To the party's critics, the idea of amnesty only hardens suspicions that the former Communists have yet to accept fully the principles of democracy and the German Constitution. The party, critics say, does not seem to care about the Cold War victims of the old regime.

"The PDS is and remains a wolf in sheep's clothing," said Cornelius Pieper, a leader in the opposition Free Democratic Party.

Nowhere is the debate more wrenching than within the ranks of the left-leaning Social Democratic Party of Chancellor Gerhard Schroeder. Unable to reconcile its own stance toward the former Communists, Mr. Schroeder's party is struggling with a widening split between members who ostracize the PDS and those who embrace it by encouraging power-sharing alliances at the state and local level.

The former Communists are "one of the biggest irritations in the process of German unification," according to an angry manifesto written last month by four leading Social Democrats, who reject any moves that enhance the respectability of the Party of Democratic Socialism.

By getting in bed with the PDS at the local level, the Social Democrats only

legitimize the former Communists, the Social Democrats fear. That is sure to backfire, they warn, as the bigger party effectively fosters a rival to its left that invariably will drain votes.

Some assert that the former Communists still harbor anti-Western, anti-American and anti-capitalist tendencies behind the face it presents to the public.

"The PDS has significant difficulties in accepting Western values of democracy, private property and the NATO ties that were acquired by the West Germans after 1945," said Klaus-Dieter Henke, director of the Hannah Arendt Institute for Research of Totalitarianism in Dresden.

Such reservations appeared to matter little in the Sept. 27 national elections, when the party outstripped nearly everyone's expectations. In its power base in the East, it gathered slightly more than a fifth of the votes compared with a scant 1.2 percent in the West. The Free Democrats and Greens, both influential in the West, polled far behind the former Communists in the East.

For the first time, the party appears in the Bundestag with full parliamentary status after winning more than 5 percent of the total national vote, clearing a threshold meant to bar extremists. That allows it to nominate a deputy speaker, sit on committees and receive funds for a research institute. In the previous Parliament, the party, with 4.4 percent, got into the Bundestag on a technicality, by winning three districts.

The former Communists scored another first in a separate statewide race on the same day in the struggling Eastern state of Mecklenburg-Vorpommern. The party became the junior partner in a

state government coalition led by the local Social Democrats, who had the backing of the party leadership in Bonn when they cemented the alliance last month.

By joining the government in Mecklenburg's capital city of Schwerin, the Party of Democratic Socialism automatically installed a representative in the Bundesrat, the upper house of the national Parliament. The party already props up a minority Social Democratic government in the Eastern state of Saxony-Anhalt.

The PDS is a protest party," said Richard Schroeder, a professor in Berlin and one of the authors of the Social Democratic tract against the former Communists. "They are not a risk to democracy, but they slow the acceptance of democracy in the East. They confuse the learning process."

More than half of the party's 95,000 members are retired, making it only a shadow of its 2.2 million-member precursor. Its ranks shrink by the thousands each year as elderly die off, but it still includes the former elite, including academics, Mr. Schroeder said.

Helmut Holter, the party leader who is deputy premier of Schwerin, studied politics in Moscow in the 1980s and now rides in a chauffeured Audi limousine as an elected state official. "This will create a new social climate of reconciliation and integration," Mr. Holter said of the alliance with the Social Democrats.

Not everyone agrees. The increasingly assertive anti-PDS faction of the Social Democrats argues that the former Communists remain a purely Eastern phenomenon and thus unable to heal Germany's inner divide. Indeed, they say, it is unfit to represent even Eastern Germany because 80 percent of the Easterners con-

sistently vote against it. "The vast majority of the East Germans distance themselves from the PDS," the four Social Democratic critics wrote in their treatise.

Similar controversy has split other parties. Heiner Geissler accused his center-right Christian Democratic Party of "schizophrenic behavior" in its cooperation with the former Communists at the municipal level in the East while denouncing them bitterly in Bonn. Mr. Geissler, a leader in his party's labor wing who also said some cooperation with the Party of Democratic Socialism is conceivable, reaped nothing but bitter criticism.

"Geissler is talking sheer rubbish," the Christian Democratic Party chairman, Wolfgang Schaeuble, said last week. But only two months before, Mr. Schaeuble made overtures to individual former Communists to switch parties.

PDS leaders justify the calls for amnesty for crimes during the Cold War, arguing that amnesty would help foster "reconciliation" between the halves of Germany, in the words of the party's parliamentary leader, Gregor Gysi. The party chairman, Lothar Bisky, said he would like to see the amnesty granted May 23, the 50th anniversary of the German Constitution, which now applies to the whole of the reunified Germany.

The rush by Western politicians to "normalize" the party stems mainly from the growing importance of Eastern voters.

Mr. Schroeder owes much of his victory to the East, where former Chancellor Helmut Kohl's share of the vote fell more than 11 percentage points, to 27.3 percent, from four years earlier, leaving Mr. Schroeder and the former Communists to share the defectors.

DO YOU LIVE IN SWEDEN?

For a hand-delivered subscription
on the day of publication,
Monday through Friday

call toll free
020 797 039

THE WORLD'S DAILY NEWSPAPER

DO YOU LIVE IN THE U.K.?

• Subscribe and SAVE up to 53% off the cover price.

• Also available: PAY MONTHLY by easy, low cost, direct debit.

HAND DELIVERY IN CENTRAL & GREATER LONDON & PARTS OF THE SOUTH EAST.

A cosmopolitan, comprehensive and concise newspaper delivered every day to your home or office. In Central and Greater London and parts of South East England, the International Herald Tribune offers early morning hand delivery on the day of publication, Monday through Saturday.

The result? Unique coverage of the world you live in, brought to you as it changes — daily. Postal subscriptions are available throughout the UK on the day after publication.

For more information about easy ordering and availability of hand delivery
CALL our Subscriber Customer Service Department:

TOLL FREE: 0800 4 448 7827 (0800 4 IHT SUBS)

or Fax: +44-0171 240 3417

International Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

Early Elections in Israel

A delay in the peace talks is expected now that Israel has decided to go to early elections, perhaps next spring, rather than to have Benjamin Netanyahu serve out his term in 2000. But that's no disaster. A stalemate with the Palestinians was already in effect as a result of the crisis that developed in Prime Minister Netanyahu's coalition over the Wye accords. The right wing refused to swallow the terms, especially the provision calling for a further withdrawal from the West Bank. Caught between a revisionist right and a center-left that declined to make a "national unity" government with him, he had no choice but to agree to new elections.

Even in the volatile Israeli scene, it is hard to imagine that the electorate would restore the very political configuration responsible for this negotiating stalemate. Any new government is going to have to answer to the polled large majority of voters who favor careful continuation of negotiations with the Palestinians. It could be Mr. Netanyahu who somehow finds a

—THE WASHINGTON POST.

A Year for Campaign Reform

In this holiday season, Americans are feeling anything but festive about their politics. But the raging debate over President Bill Clinton is only one factor in the public's growing alienation from a system more attuned to partisan tactics than the general good. A separate blow to public faith has arisen recently, with the virtual nullification of nearly a century of laws seeking to curb campaign fund-raising. Last summer, the House passed campaign finance reform legislation, only to see it die in the Senate. As a result, the nation's two biggest political parties have completed their transformation from representing popular constituencies to serving as fund-raising machines that cater to special interests.

In the election last November, voter turnout dropped to the lowest levels since World War II. But in the next year, Americans will have a new opportunity to rescue their political culture from the grip of corruption and cynicism. They can press Congress to restore the funding rules guiding campaigns since 1907, when the ban on corporate donations to federal elections was enacted. In 1947, union donations were outlawed. In 1974 strict ceilings were placed on donations by rich individuals and political action committees. Now these laws have all been circumvented by the deviously conceived fiction that the parties can raise so-called soft money outside federal regulations, as long as it is ostensibly for the parties, not for candidates, and as long as the money is used for "issue ads" that do not use the magic words "vote for" or "vote against."

The soft-money loophole was first seriously exploited in the 1988 campaign. By 1996, Mr. Clinton and his Republican rival, Bob Dole, elevated it to a high art. The two parties combined raised and spent \$260 million in soft money that year, and the White House opened its doors to Lincoln Bedroom sleep-overs, coffees and other receptions for eager donors. Mr. Clinton could say that these unlimited sums from corporations, rich donors and unions were going to the party and therefore legal. But the contributors all knew they were buying influence with the Clinton administration.

The scariest aspect of the White House fund-raising was the willingness to have the soft-money loophole exploited by foreign interests. Some \$3 million in contributions had to be returned by the Democrats because it was found to have originated overseas. This month, The New York Times reported that investigators had found a systematic effort by China to gain access to technology and perhaps influence American policies — just as Taiwan and other governments have done, by opening their checkbooks to lobbyists and other agents — though no link to the party contributions was established. In October, a federal district judge ruled that the ban on foreign campaign donations did not apply to soft money. If that ruling stands, or Congress does not quickly revise the statute to broaden the ban on foreign contributions, the soft-money loophole guarantees more attempts by foreign and domestic interests to corrupt the system.

Not that the Republicans were blameless. They deplored Mr. Clinton's excesses, but the 1997 Senate hearings led by Fred Thompson demonstrated that the Republicans also tapped foreign

—THE NEW YORK TIMES.

The Old World of Europe Is Entering a New Era

By Jim Hoagland

WASHINGTON — Europe's major powers end the year in motion. They have fashioned a flurry of fresh initiatives from the arrival of a new government in Germany, a new concern in Britain about trans-Atlantic relations and a new look in France at European defense.

As important as the content of the initiatives is the way in which they are being shaped: without decisive input from the United States, even on issues that involve vital U.S. interests.

The Europeans are not dispensing with the indispensable nation. Some of their moves are intended — in their eyes at least — to strengthen ties with Washington. Even the French are being careful to avoid open challenges to U.S. leadership in Europe on political and defense issues.

But the palpable mood of ferment in European institutions has provoked questions from the Clinton administration to its chief European allies about the pace and direction of an economic, political and defense integration within the 15-nation European Union. Washington favors integration — up to a point.

The defeat in September of Helmut Kohl in the German elections by a Social Democrat-Green coalition under Gerhard Schroeder has created a

new political tone in Europe. Eleven of the EU's governments are now led by Socialists or other center-left parties. They speak something of a common political language, even if national interests still dictate their stands on contentious issues.

German interests are now asserted by Mr. Schroeder's government without the deference Mr. Kohl gave Paris on European unity and Washington on global issues. This is a generational change as much as a political one. And it must be taken into account as the Berlin republic gives notice it is no longer the willing paymaster for European construction or a silent partner on NATO ground floor.

U.S. officials assume that is one reason Britain has been so active in recent weeks on the European defense front. After proposing a serious review of Europe's defense capabilities, Mr. Blair joined President Jacques Chirac of France on Dec. 4 in signing a "Joint Declaration on European Defense," the sweep of which caught Clinton

and his policymakers by surprise.

The declaration represents movement by both Paris and London toward a European command structure within NATO that would give EU bodies new responsibilities and powers. NATO would remain primarily responsible for European defense — France dropped some of its long-standing theology on

that point — while Britain for the first time signed up to defense policies

which was smoothly managed by the new European Central Bank, demonstrating that the euro is already a force to be reckoned with.

This is even — perhaps especially — true for Tony Blair's New Labour majority in Britain, which has opted to stay out of the euro zone in its first parliamentary term. Mr. Blair is determined to show that Britain will not be frozen out of Europe's significant decisions on unity simply because his government is not in on the euro ground floor.

U.S. officials assume that is one reason Britain has been so active in recent weeks on the European defense front. After proposing a serious review of Europe's defense capabilities, Mr. Blair joined President Jacques Chirac of France on Dec. 4 in signing a "Joint Declaration on European Defense," the sweep of which caught Clinton

and his policymakers by surprise.

The declaration represents movement by both Paris and London toward a European command structure within NATO that would give EU bodies new responsibilities and powers. NATO would remain primarily responsible for European defense — France dropped some of its long-standing theology on

that point — while Britain for the first time signed up to defense policies being coordinated in and by the EU. But Mr. Blair seems to have more in mind than merely balancing off Britain's absence in monetary integration. He also is said to be looking forward to the 50th anniversary NATO summit in Washington in April, when he feels Europe must show Congress that it is prepared to shoulder more responsibilities in any future Bosnia or Kosovo or risk a significant U.S. backlash.

Europe at large is anxious about the administration's planning for the anniversary summit meeting, on which Washington will spend \$20 million to \$30 million. Europeans fear the April celebration will degenerate into an exercise in American Cold War triumphalism, a political glorification of Bill Clinton to save his domestic wounds, or both.

Putting such a cast on the meeting would be a strategic error in the coming year, which will be one of significant change in and for Europe.

No one is likely to proclaim 1999 the Year of Europe. Too many remember the disasters that befell the Continent when 1973 was so dubbed. But Americans will want to watch the old Continent closely as it finally moves from the Cold War to the cusp of a new millennium and a new era.

The Washington Post

A U.S. Church Group in China Is Fooled Again

By Jeff Jacoby

BOSTON — There was a time when Andrew Young had no difficulty recognizing persecution. There was a time when he lifted his voice for victims and made no excuses for oppressors.

But the civil rights movement in which Mr. Young rose to prominence ended long ago. His mentor, Martin Luther King, has been gone these 30 years. And the moral stature Mr. Young acquired in his youth he seems willing to squander as he approaches old age.

Mr. Young recently traveled to China with a small delegation from the National Council of Churches, of which he is president-elect. China is in its fourth year of a brutal government crackdown on Christian religious activity; more than 140 underground church members have been arrested in just the last few weeks. Mr. Young might have been expected to

speak out on their behalf and condemn the Communist regime for its cruelty. He might have been expected, for example, to demand justice for Cheng Meiyi — an evangelist from Hunan Province who was arrested Oct. 26 and taken to the prison in Wuhan, where the police beat and whipped her so ferociously that she became brain-damaged.

What Mr. Young said, however, was: "We found no

sign of religious repression."

And: "Did we find religious freedom in the U.S. sense? No. But we found no ... active persecution."

To be sure, it is no crime to be a Christian in the People's Republic of China — so long as you worship in an officially registered "patriotic" church, with ministers who have been approved by the Communist

Party and who renounce all ties to any overseas entity.

Which means that it is a crime for a Chinese Catholic to proclaim the authority of the Pope. It is a crime to hold a prayer meeting in an unofficial "house church." It is a crime to travel the country and preach the Gospel. It is a crime to speak in tongues, to baptize children, to teach of a second coming, or to condone abortion.

Has the National Council of Churches anything to say about this? It does. "Christians in China," declared the group's general secretary, Joan Brown Campbell, "are terribly offended at the tide of rumor that there's widespread terrible persecution and asked us to advocate for a more accurate portrayal of their situation."

Beijing makes no secret of its anti-religious bigotry. Ye Xi-

aven, head of the Religious Affairs Bureau, calls house churches "evil, illegal organizations that undermine social order." But Mr. Young and his group, blind to the suffering of their fellow Christians, give their seal of approval to the world's largest dictatorship.

Walter Winchell remarked in 1938 that the reason Neville Chamberlain flew to Munich to see Hitler was because "you can't kick a man's boots over the phone." It is not hard to figure out why Andrew Young flew to China.

.

.

.

The bootlicking of totalitarianism is an old story with the National Council of Churches.

In 1978 it published "China: Search for Community," which described the Cultural Revolution — a time of heart-stopping savagery, when Mao's Red Guards imprisoned, tortured, or killed tens of thousands of victims — as an "outstanding

campaign" for "moral renewal."

.

.

.

A decade later a council official told Congress that North Koreans — then ruled by Kim Il Sung, a Stalinist tyrant — "are proud of their beautiful cities, schools, health facilities, apartments, immigration projects, dams and locks."

So nothing has changed at the National Council of Churches.

This Christmas, millions of Chinese Christians have at great risk celebrated the birth of their savior. May God watch over them and shield them from harm. The National Council of Churches surely won't.

The writer is a columnist for The Boston Globe.

A Few Historical Reflections on the Censure Option

By David S. Broder

WASHINGTON — On April 11, 1951, Congress was up in arms about President Harry Truman's dismissal of General Douglas MacArthur as commander of United Nations forces in Korea. Republicans were furious that Mr. Truman had sacked the national hero for insubordination. The House Republican leader Joe Martin and Senator Bill Jenner of Indiana threatened impeachment, but Senator Richard Nixon of California had a better idea. Mr. Nixon proposed a Senate resolution of censure, saying the president "has not acted in the best interests of the American people."

This nugget of history, retrieved from the microfilm files of The Washington Post, sheds light on the current drive to wind up the controversy over President Bill Clinton by a similar censure resolution.

The proposal censures Mr. Clinton, rather than subject him to an impeachment trial in the Senate, has impeccable sponsorship and motivation. Former Presidents Gerald Ford and Jimmy Carter have unveiled their version of the idea. "The time has come," they wrote, "to put aside political differences and plant seeds of justice and reconciliation."

Former Senator Bob Dole is lobbying for such a solution, generously trying to rescue the Democrat who defeated him for the presidency in 1996 from

the threat of being forced out of office. That Mr. Ford and Mr. Dole both worry about the damage their Republican Party may suffer if it continues to push for Mr. Clinton's ouster does not diminish the public-spiritedness of their action.

After the searing partisanship of the House impeachment process, a bipartisan censure resolution that would bring an end to this sad chapter of White House history has enormous appeal. Still, it may be better to consider the implications now, rather than stumble over them after the fact.

Censure is not mentioned in the constitution, but neither are many other accepted features of our governmental life, ranging from the Federal Reserve Board to the presidential nominating conventions. The only previous presidential censure, aimed at Andrew Jackson by a hostile Senate, was expunged by a subsequent Congress. But that is not a fatal flaw.

It is a reminder, however, that we have little basis for judging the effect of such a resolution, or even how seriously it would be taken by the target of the verbal spanking. Mr. Clinton is famous for his ability to compartmentalize, and even if he were required to sign a censure resolution, he might sign it to the most remote corner of his consciousness.

Many of the same Democratic House members who on Dec. 19 professed their willingness to censure Mr. Clinton for having "egregiously failed" in his responsibilities and "disgraced the office" of president, were by afternoon backslapping the same man and cheering him as "one of our greatest presidents," to quote Vice President Al Gore.

At a minimum, that White House spectacle must raise questions whether censure by Congress would be greeted with more than a shrug by this president on his way to a fund-raiser or a round of golf.

The more serious question is what precedent would be established by the legislative branch in opening a new avenue to admonish a collateral branch of government. Presidents often

take actions that offend Congress, as Mr. Truman did in forcibly reminding General MacArthur who was commander-in-chief. Mr. Nixon's threat to censure Mr. Truman went nowhere in a Republican Senate, in part because such an action lacked any modern precedent.

Once established, it could be used often — to reprimand the judicial branch as well as the executive. Under Chief Justice Earl Warren, the Supreme Court regularly outraged Congress with its decisions on civil rights, reapportionment of voting districts, criminal rights and banning school prayer.

Congress never attempted seriously to impeach Earl Warren. But majorities were certainly ready to censure his decisions.

What would the impact of such a censure have been on respect for the court and compliance with its rulings? No one can say.

Separation of powers is central to the structure of our government. When one branch starts handing out formal report cards on another, it certainly departs from the constitution and it may produce dangerous consequences.

The constitution's remedy for serious charges of abuse of executive or judicial office is impeachment. The inconvenience of a Senate trial must be weighed against the potential costs of "the Nixon solution."

The Washington Post

Time for Subcontinental Realism

By Sunanda K. Datta-Ray

SINGAPORE — The recent visit of Prime Minister Nawaz Sharif of Pakistan to the United States strengthened the general impression that peace or war in South Asia hinge on the running sore of Kashmir and nuclear one-upmanship.

But they are really only the symptoms of a much deeper tension that must be addressed if the two neighbors are ever to live in harmony. Even if some magic wand were to wish away both problems, the underlying insecurity and mistrust would surface in some other way unless India and Pakistan can bring themselves to shape a future that reflects their shared past. That would flesh out the dream of a South Asian economic union that also embraces Bangladesh, Nepal, Bhutan, Sri Lanka and the Maldives.

The latest proposal for an "economic bridge" to make cooperation attractive and political squabbling uninteresting, mooted by India's Hindu nationalist Bharatiya Janata Party government, might have a chance of succeeding, but only if two conditions are met. First, Pakistan must reconcile itself to geopolitical reality. And second, India must pursue seriously the imaginative concept of asymmetrical relations that a former Indian prime minister, Indira Gandhi, saw as the only answer to the challenge of disparity.

Religion is part of the problem, but in divisive effect is easily exaggerated since many Muslims live in Hindu-majority India as in Islamic Pakistan. More relevant is the search in both countries for a viable identity, India's relative success in forging a sense of secular nationalism, despite ethnic and communal hiccups, became clear in August when politicians across the spectrum united to foil the BJP's attempt to give education a Hindu gloss.

In contrast, Mr. Sharif's retreat to Koranic law, ignoring the white stripe in the country's flag that Pakistan's founding father, Mohammed Ali Jinnah, inserted to represent the mainly Hindu minority, indicates that Pakistan is still groping for a national culture.

Jinnah would also have been grieved to hear Mr. Sharif argue, as he did during his 1990-93 incarnation as prime minister, that the bomb was needed not to defend or deter, but to make "it clear to responsible international powers [read the United States] that Pakistan should be treated at par with India in the world community."

That India remains the primary reference point for Pakistan's rulers after 31 years of sovereign existence exposes a lack of confidence that also explains Islamabad's desperate attempts to turn its back on cultural and historical links in the subcontinent and seek identification instead with the

Middle East and Central Asia.

The complex web persists until Pakistan accepts that geography is destiny. The advantages of India's size (four times Pakistan's), population (seven times bigger), industrial base, and engineering and scientific skills will not go away.

However, no amount of concessions by Prime Minister Atal Bihari Vajpeyi will have the slightest effect unless the Americans, who built up Pakistan militarily during the Cold War, accept the need for rapprochement on a durable basis. Pakistan's tit-for-tat nuclear tests in May were the direct outcome of decades of U.S. indoctrination that the much smaller country must match its bigger neighbor in every way.

Instead of scurrying around trying to unscramble nuclear arsenals or aggravating the Kashmir dispute with maladroit statements, U.S. diplomats should convince Islamabad that no Indian government would compound its domestic problems by swallowing 134 million truculent Pakistanis. Nor would India be at all comfortable if Pakistan's disintegration led to the emergence of a number of unstable ethnic-fundamentalist states on its western flank.

A strong and self-confident Pakistan can only contribute to India's security and stability.

The writer, a former editor of The Statesman in India, contributed this comment to the International Herald Tribune.

1998: Dog fashion

PARIS — Says the "Daily Chronicle": In spite of the ridicule that has been cast upon it, the absurd practice of providing costumes for canine pets still prevails in Paris. In the windows of the dog tailors may be seen little astrakhan overcoats with linings of pink or blue satin. For traveling there are lighter wraps fast

HEALTH/SCIENCE

TOMORROW'S
SCIENCE

Drugs, Sports, Image and G.I. Joe

By Natalie Angier
New York Times Service

NEW YORK — Which classic American doll has been a staple of childhood for decades, has won iconic status in the culture and possesses a waist so small and hemispheric projections so pronounced that no real adult could approach them without the help of potentially dangerous body enhancement therapies?

Barbie? Well, yes. But Barbie has a male companion in the land of the outlandish physique, and it isn't Ken. Instead, we must look to a recent model of that old trooper, G.I. Joe, to see a match for Barbie's cartoon anatomy, and to find a doll that may be as insidious a role model for boys as Ms. Triple-D top. Size-2 bottom is for girls.

Some researchers worry that Joe and other action-hero figures may, in minor fashion, help fan the use of muscle-building drugs among young athletes, even as doctors and sports officials struggle to emphasize that such drugs are not only risky, illegal and unsporting, but in many cases worthless in enhancing performance.

Harrison Pope Jr., a psychiatrist at McLean Hospital in Belmont, Massachusetts, has studied how the morphology of G.I. Joe has evolved since the doll was introduced in 1964. Just as Barbie has become gradually thinner and bushier, Dr. Pope said, so each new vintage of G.I. Joe has been more muscular and sharply defined, or "cut," than the model before.

The most extraordinary G.I. Joe on the market, "G.I. Joe Extreme," wears a red bandana and an expression of rage. His biceps bulge so much that they are larger around his waist, and, if ratcheted up to human size, they would be larger than even the arms of the grotesquely muscular Olympians of today, Dr. Pope said.

Hasbro Industries, maker of the G.I.

Joe dolls, disagrees with Dr. Pope's contention that the body type of the standard Joe doll has changed much over the years. The company adds that it has stopped manufacturing the "Extreme" model, although a recent expedition showed that the doll was still available in toy stores.

G.I. Joe is the only action figure that has been around long enough for Dr. Pope to be able to make comparisons between old and new models. But he said that a survey of other popular action figures — Power Rangers, Batman and Cyberforce Stryker — showed the same excessive muscularity.

Dr. Pope said the dolls might be planting in boys' minds a template for a human's body that cannot be attained without engaging in obsessive behaviors to build muscle and strip off fat, and then augmenting those efforts with drugs like human growth hormone and anabolic steroids, synthetic versions of the male hormone, testosterone. His study of the evolution of action dolls will be published early next year in *The International Journal of Eating Disorders*.

"Prior to 1960, and the introduction of anabolic steroids, even the most dedicated bodybuilders couldn't get larger than a certain maximum size," Dr. Pope said. "Steroids made it possible for men to look as big as supermen, and now we see that standard reflected in our toys for the very young."

Given the ubiquitous images of muscularity, as well as the mounting demands on young athletes to sprint faster, jump higher, lift heavier and otherwise impress cadres of easily disgruntled sports fans, experts say it is not surprising that the use of muscle-enhancing drugs has reached pandemic proportions, even among barely pubescent boys.

About 18 percent of high-school athletes in the United States are thought to use anabolic steroids, about twice the figure of 10 years ago, according to some estimates. Although performance-

enhancing drugs are generally banned by athletic organizations, it is considered laughably easy to cheat and escape detection in drug screens. In addition, health food stores now offer a variety of "nutritional supplements" reputed to have anabolic properties.

The supplements include creatine, DHEA, beta agonists and androstenedione, a precursor of testosterone made famous by the baseball slugger Mark McGwire. Such supplements are not strictly regulated, like drugs, their side effects are uncharted and their effectiveness is unproven.

Doctors have long emphasized the dangers of muscle-building drugs. The use of anabolic steroids lowers the levels of protective high-density lipoproteins, suppresses sperm production and raises the risk of heart attacks, strokes and liver disease. The chronic use of human growth hormone in ultra-high doses has its own hazards, among them an increased risk of arthritic-type disorders, diabetes and some cancers.

MANY researchers say the seemingly unstoppable epidemic of using such drugs, that most of them do not work nearly as well as billed. Human growth hormone may increase muscle mass, but bigger does not necessarily mean stronger, said Shalender Bhasin, chief of the division of endocrinology metabolism and molecular medicine at Charles Drew University in Los Angeles.

The extra muscle bulk that comes from steroid use may drag an athlete down without compensating for the added weight through better performance. For any event that requires moving against friction or gravity, Dr. Bhasin said, including sprinting, pole-vaulting or swimming, and for endurance activities like marathon running, taking testosterone may be counterproductive.



Danny Peña/The New York Times
Mushroom coral extends feathery polyps to feed, trapping small animals and particles from deep-sea currents.

Out of the Murky Depths An Aquarium Harvests the Sea's Rarest Beasts

By Calvin Sims
New York Times Service

MONTEREY, California — Miles beneath the turbulent waters of Monterey Bay, research biologists, equipped with a giant robot submersible, advanced sensory equipment and stomachs almost of steel, are collecting some of the rarest sea creatures known to man.

If the biologists of the Monterey Bay Aquarium manage to keep these bizarre animals alive after bringing them back from the abyss, as they say they can, they plan a public exhibit of more than 40 species early next year — the largest display ever of living deep-sea life.

Many of these unusual creatures have never been seen in an aquarium. Indeed, just a decade ago they had hardly been seen by anyone, because they inhabit the walls and floors of dark, underwater canyons more than 3,000 feet (900 meters) deep. While remotely operated robots have been used to retrieve deep-sea animals for several years now, few species brought back from the ocean floor survived for long outside their natural habitat.

But after more than a decade of research and advances in husbandry and life-support systems, the biologists of the Monterey Bay Aquarium say they are confident that they can maintain a variety of deep-sea life long enough for public exhibit. Among the strange creatures they plan to display in the aquarium's new deep sea exhibit, scheduled to open in March, are mushroom corals, predatory tunics, sea whips, spider crabs, filetail cat sharks, ratfish, feather stars and eelpouts.

They are all here, mushroom corals, predatory tunics, sea whips, spider crabs, filetail cat sharks, ratfish, feather stars and eelpouts.

The currents and weather conditions of the bay are unpredictable and sometimes violent, making it difficult for the scientists to go collecting. The highly sophisticated machinery used to gather the creatures sometimes malfunctions, causing delays. And sometimes, by accident, the biologists finally wound the animals while removing them from hard-to-reach places in the canyon. Moreover, many deep-sea creatures perish outside the extreme conditions of the deep, where there is tremendous water pressure, icy temperatures, limited food, low oxygen and no sunlight. Changes in pressure, oxygen content and water temperature causes the immediate demise of some species.

"What we are attempting has never been done before, so I guess you can say we are in uncharted waters," said Edward Seidell, a research biologist. "But we've learned so much in recent years that we believe we can pull it off."

The problem was graphically illustrated last month when aquarium biologists went searching for predatory tunics — a star of the planned exhibit. Extremely rough seas forced them to abandon the expedition after three stom-

oversees a video program that records the excursion, noting the depth and location where animals are encountered. The submersible covers an area about the size of a football field, methodically searching for the predatory tunics.

"Oh where, oh where has my tunicle gone?" the crew sang in unison. After nearly an hour of searching, there were no tunicles in sight. But there were several mushroom soft coral, deep-sea cucumbers and sea stars, which were collected for the exhibit.

The beautiful mushroom corals are expected to be big hits of the exhibit. Related to anemones and jellyfish, mushroom corals dwell at the ocean bottom, where they extend feathery paws to feed, trapping small animals and particles from currents. When the polyps are retracted, the polyp looks like the dimpled head of a pink mushroom.

Gathering these rarer creatures is difficult because they are often located on steep canyon walls that are hard to reach and because even the slightest abrasions can kill them. Maneuvering the robot arms can be especially tricky because the arms have only a two-dimensional view but is operating in a three-dimensional environment.

After nearly two hours of combing the ocean bottom, the researchers hit pay dirt. Perched on a canyon wall and resembling a rubbery blob was a predatory tunicate. They are of particular interest because they capture prey by closing their oral hood, trapping tiny animals inside like a Venus fly trap.

To gather them, the pilot uses the robot's clamshell arm, breaking the sub, with the animal attached, off the canyon wall. Tunicates that are torn from their substrate, or that have their outer layer torn or scraped, have little chance for survival.

The following day, the biologists headed for an unexplored area closer to shore, where the crew lowered the giant remote-controlled submersible into relatively calm waters. The robot is equipped with sonars, video cameras, flood lights, sensors, sampling tools and collecting devices.

On color television screens in the control room aboard ship, the scientists monitored the descent of the robot to the bottom of the canyon. At first, only a constant rain of dead plankton and animal wastes, known as "marine snow," is visible on the screens. But after diving for 30 minutes, the submersible reached the ocean floor, a vast expanse of muddy ridges and cliffs, garnished with colorful animals and plants.

The search was under way. In the control room, the robot is operated by four researchers, sitting at workstations with television screens. A pilot navigates the submersible, while a second maneuvers the robot's arms to collect specimens. One biologist operates the cameras and identifies specimens, and another

high concentrations of hydrogen peroxide — 30 percent to 35 percent — have been available in dentists' offices for years for teeth stained by food, coffee, tea, tobacco or other substances. Initially, they required meticulous preparation, and this, coupled with their unpredictability, limited their popularity.

By the early 1990s new products were introduced that were easier to apply, and the process began to be used more often.

Manufacturers insist that the products are safe and effective.

Whitening solutions with

Clifford Whall Jr., director of product evaluation at the American Dental Association, said the in-office bleaches have a long record of safety, though it is too soon for long-term conclusions on laser or at-home procedures.

Mr. Whall and others say that, as with many medical procedures, that are beneficial if correctly followed and harmful if not, teeth whitening can kill gum tissue and damage the teeth if done improperly. And animal studies suggest that high concentrations of hydrogen peroxide can cause cell damage and may enhance carcinogenesis.

A Promising Cancer Treatment

By Nicholas Wade
New York Times Service

NEW YORK — A novel form of cancer treatment has neared the end of its preliminary trials with promising results at the same time that new research has cast doubt on its original rationale.

The doubts, not yet resolved, may mean that the treatment is less harmless to normal cells than previously had been thought. But it is also possible that the treatment may be applicable to a much wider range of cancers than previously believed.

The agent of treatment is a genetically altered adenovirus, one of the viruses that cause the common cold. Called Onyx-015 by its developer, Onyx Pharmaceuticals of Richmond, California, the virus is injected directly into tumors. Enormous doses can be used without apparent harm to the patient because the virus is designed to kill certain types of tumor cells but not healthy cells.

The treatment is based on recent insights into the basic genetics of tumor cells, and in particular the protective genes that are subverted when a cell becomes cancerous. The virus is designed for specific attacks on the many types of tumor cells that have knocked out a critical gene called p53.

Onyx-015 is being tested in patients with several types of cancer, but the trials with head and neck cancers are furthest along. Onyx Pharmaceuticals reported last month that in 16 out of 26 patients with head and neck cancer, or 62 percent, the tumors had shrunk by more than half, and that in six of those patients the tumors had entirely disappeared.

In all cases, the patients received a standard chemotherapy drug as well as the virus, because earlier tests had shown that the two agents in combination were more effective than either alone.

The results are impressive because the patients were at an advanced stage, all of them having failed to benefit from conventional treatments. But because the test is a Phase 2 trial, designed to explore the most effective

dose with only a small number of patients, the results cannot be regarded as conclusive. The company now hopes, with Food and Drug Administration approval, to move to a Phase 3 trial, with enough patients to arrive at a statistically significant outcome.

Dr. James Arsenault, a doctor at the Albany Medical Center in New York, is one of those testing the virus. Of the eight patients with head and neck cancer he has treated so far, "three have had really superb results," he said.

"With one guy, the tumor all went away," he said. "In another, there's just an area of thickness but the initial mass has gone. The others had more minor responses. But given the situation these people are in, with far advanced disease, I think it is really remarkable they have done as well as they have."

Meanwhile, on another track, several researchers experimenting with the Onyx-015 virus in the laboratory say they find it behaves rather differently than Onyx had proposed on the basis of its own laboratory tests. The question of exactly how the virus works bears both on its safety and on the range of tumor types it may be able to kill.

Normal cells have an intricate circuitry of interacting genes and proteins that control their proliferation. The circuitry is designed to make sure the cells divide when the body requires them to, but to halt or even kill the cell if it attempts an unauthorized division that might lead to cancer, such as after invasion by a virus or damage to the chromosomes.

Division is tightly controlled by a system centered on a protein known as Rb. The cell-suicide and cell-suicide programs are under the direction of another protein, p53. For a cell to become tumorous, it must subvert the division-control circuitry. Many tumor cells have sabotaged the Rb gene and in about 50 percent the p53 gene is also mutated.

Biologists have recently come to recognize that viruses, like incipient tumor cells, must defeat the division-control circuitry and that in the course of evolution, several viruses have targeted the products of the very same genes that are mutated in tumor cells.

Adenovirus has at least three genes

for this purpose. Its E1A gene makes a substance that disrupts the Rb protein, while E1B-55K blocks the division-arrest function of p53, and E1B-19K jams p53's cell-suicide program.

In 1992, Onyx's chief scientist at the time, Frank McCormick, realized that the frequent mutation of the p53 gene in tumor cells created a critical difference between them and the healthy cells that could be exploited by a defective form of adenovirus.

An adenovirus lacking the E1B-55K gene that thwarts the division-arrest mechanism of p53 would be unable to replicate in normal cells, because their p53 system would block the division process. But the defective virus could replicate in tumor cells that had disabled their own p53, and go on to attack other tumor cells.

Onyx-015 is an adenovirus that lacks the E1B-55K anti-division-arrest gene. In preclinical studies, the company reported that the defective virus killed laboratory cultures of p53-deficient tumor cells but was harmless to normal cells.

McCormick has an excellent idea and I hope it will work," Mr. Linke said. "But in the new studies, the Onyx virus in some cases is unable to kill tumor cells that lack p53 function. The conclusion would have to be that the killing mechanism is independent of p53, although if the clinical trials are successful, it may not matter too much how the virus works."

Mr. McCormick has an excellent idea and I hope it will work," Mr. Linke said. "But in the new studies, the Onyx virus in some cases is unable to kill tumor cells that lack p53 function. The conclusion would have to be that the killing mechanism is independent of p53, although if the clinical trials are successful, it may not matter too much how the virus works."

Most people have seen television ads and discovery shows about sea life but those programs deal mainly with what's in the first 150 feet of ocean," said Gil van Duykhuizen, a research biologist at the aquarium.

"We have captured creatures from thousands of feet deep — creatures so unusual looking that they appear alien, and we have learned to see them alive. Most people will never see anything like this in their lifetime."

Beneath the picturesque bay is an underwater canyon more than two miles (3.2 kilometers) deep with steep rocky precipices. The deep-sea exhibit, which will contain 7,000 square feet (650 square meters) of displays, will focus on three of the habitats found in the Monterey Bay's canyon: the midwater, vertical canyon wall and sea-floor habitats. The aquarium has spent more than \$5 million over a decade to assemble the exhibit.

But gathering and sustaining these delicate species is no easy task and continues to pose considerable technological and logistical challenges. The success of the exhibit will depend on many factors beyond the biologists' control. There is plenty of room for things to go wrong, and they often do.

Caution Urged in Do-It-Yourself Teeth Whiteners

By Holcomb B. Noble
New York Times Service

NEW YORK — A variety of new procedures and products have become available for whitening teeth, many of them sold over the counter in pharmacies or by mail order for use in the home. But a controversy swirls around their safety and effectiveness, particularly the over-the-counter home products.

Manufacturers insist that the products are safe and effective.

Whitening solutions with

high concentrations of hydrogen peroxide — 30 percent to 35 percent — have been available in dentists' offices for years for teeth stained by food, coffee, tea, tobacco or other substances. Initially, they required meticulous preparation, and this, coupled with their unpredictability, limited their popularity.

By the early 1990s new products were introduced that were easier to apply, and the process began to be used more often.

In 1991, the Food and Drug Administration classified the whiteners as drugs, affecting bodily structures or

tissues and requiring the agency's approval. The manufacturers then argued that the products were cosmetics, and the drug agency allowed them on the market pending another review. Questions are still being raised, including recent reports of increasing levels of peroxide being added to home products, and the matter remains under investigation.

The generally accepted method of whitening is done in the dentist's office with prepared bleach-and-gel solutions: perhaps one to three times a year after a normal teeth cleaning.

Clifford Whall Jr., director of product evaluation at the American Dental Association, said the in-office bleaches have a long record of safety, though it is too soon for long-term conclusions on laser or at-home procedures.

Mr. Whall and others say that, as with many medical procedures, that are beneficial if correctly followed and harmful if not, teeth whitening can kill gum tissue and damage the teeth if done improperly.

And animal studies suggest that high concentrations of hydrogen peroxide can cause cell damage and may enhance carcinogenesis.

CROSSWORD

ACROSS

22 Subsidy

23 Challenge

24 Sheriff's star

27 It follows sunset,

In poetry

28 "Phoebe."

29 Art photo shade

30 Alpha's opposite

33 Sheepish

INTERNATIONAL

Defective Condoms Worsen Africa's AIDS**Some Asian Manufacturers Are Found to Have Shipped Substandard Products**By Donald G. McNeil Jr.
New York Times Service

JOHANNESBURG — Out of the depths of the AIDS epidemic sweeping Africa, an ugly truth is emerging: Some condom makers have been dumping their substandard wares here and Africans have been risking their lives on brittle, leaky or ill-fitting condoms.

The problem has been particularly bad here in South Africa, where, until last August, government officials were using a procurement system that almost invited manufacturers to ship their castoffs here.

There is no question that a scarcity of condoms and the refusal of many men to use them are to blame for far more of Africa's 23 million HIV infections than faulty condoms are. And experts say that most condoms are perfectly good and that the influx of bad ones may have been stemmed. But the

deviations or sloppiness of some manufacturers and the failure of importers to catch them have contributed to the disease's spread.

As a result, couples who do practice safe sex have been left helpless.

Elizabeth Chidomza, an AIDS education worker in Cape Town, said she has twice had condoms break during sex. Her boyfriend is not infected with the AIDS virus, but she is. She is both afraid of infecting him and afraid he would beat her if she did.

In the West, condoms are not necessarily thought of as life-saving medical devices. Here, however, infection with the human immunodeficiency virus, which causes AIDS, is rampant, and virtually everyone infected will die if it becomes almost no one in Africa can afford thousands of dollars for AIDS "cocktails" that enable people to live with the disease. Condoms also prevent the spread of

venerous diseases and urinary tract infections, which can produce sores that speed HIV transmission.

Hundreds of millions of condoms are handed out free on this continent each year, paid for — and tested — by international aid agencies.

Even now, though, more than 4 million Kondom brand condoms from Polo Latex Co. of Calcutta are on their way back to India. They were not tested before distribution, and complaints from Cape Town prostitutes flooded in to SWEAT, the Sex Workers Education and Advocacy Task Force, a community aid agency, which had handed thousands out free.

When they were checked, the results were shocking: As many as 48 out of 200 in some test batches broke.

"Some of them had sand inside the foil packets," said Andrew Crichton, a national Health Department consultant. "How do you

even do that? You practically have to have a guy inside the factory throwing dirt into the machine. The cartons had water marks and were disintegrating. They looked like they'd been around the world twice."

Thierry Moopen, assistant director of Inboco, a Pretoria company that imported the condoms, said her "fingers were burned" in the deal. Polo Latex "claimed its factory was sabotaged," she said, but it agreed to replace the goods.

A consignment of Twin Lotus condoms from China is also being recalled, and there have been problems with other brands.

There has been no worldwide study of faulty condoms, said Bummi Makinwa, a distribution expert for UNAIDS in Geneva, but anecdotal reports crop up. There have been occasional problems in Zimbabwe, Cameroon, Rwanda, Zambia and Malawi. In 1993, in Zimbabwe, 24 million condoms made in Malaysia by Dongkuk Tech Rubber and paid for by the British government failed tests.

Fortunately, the results came in before any were distributed, but fearing they would be stolen and end up on the black market, Zimbabwe burned them.

In a country where 25 percent of adults are now infected, it took 18 months and \$157,000 to replace them, even though Durex, a London-based company making a high-quality, slightly more expensive brand, sent "emergency shipments."

Dongkuk later said its goods were rejected only because the standards were raised after they were made. A British Embassy AIDS educator denied that, calling it "an excuse," but acknowledged that Dongkuk now sells condoms elsewhere without problems.

The incident was so embarrassing



N.Y.T.



When you did the deal
they said
the liabilities were
contained
They weren't.

Mergers and Acquisitions coverage

YOU met with the lawyers. The investment bankers. The auditors. You did your homework. Everything was legal and aboveboard. And a deal of enormous importance and even greater worth was completed. But somehow, something went wrong. Liabilities were misjudged. And the ones that were recognized were grossly underestimated. Now it's the third quarter and you're about to report a substantial write-off.

This is the real world companies live in. When things go wrong, they go wrong on a large scale. And if your company is not properly covered, the world becomes an ugly place.

How can AIG help? By doing things others can't. By taking what you know about "insurance" and turning that notion on its head.

Who insures you?

Take our Mergers and Acquisitions coverage. Few scenarios demand the speed and creative thinking that an M&A deal does. And that is precisely what we pride ourselves on.

At AIG, we know that in any deal there is always a surprise, and it is never a good one.

More than merely providing insurance, the AIG Companies plan for problems others don't see, create coverages others can't, manage risks others shy away from. We have the resources and industry-specific knowledge that allow us to guide you through most any M&A issue you face. So whether a deal is known or merely being contemplated, the AIG Companies are prepared to help minimize existing and potential future liabilities to make deals happen.

We've built our reputation on fulfilling promises. Which is why we've grown in 80 years to become one of the world's leading insurance organizations. And because our reputation is solidly backed by Triple-A-rated financial strength, you can rest assured that the AIG Companies will be there for you.

No matter what the risk, no matter where the risk, the AIG Companies possess the experience and sophistication to custom-tailor a policy that protects you from the unexpected.

Call your broker or e-mail us at greg.flood@aig.com to find out more about our Mergers and Acquisitions division.

What's the worst that could happen? That's what we think about every day.

WORLD LEADERS IN INSURANCE AND FINANCIAL SERVICES
American International Companies, 70 Pine Street, Dept. A, New York, NY 10270. www.aig.com

AIG

NASDAQ NATIONAL MARKET

**Consolidated prices for all shares traded
during week ended Thursday, December 2
sales**

NASDAQ NATIONAL MARKET														
Consolidated prices for all shares traded during week ended Thursday, December 24														
Stocks	Div Yld	Sales	100s High	Low	Clos	Chgs	Stocks	Div Yld	Sales	100s High	Low	Clos	Chgs	
A-Corp	-	178	71	54	71	+13	Academy	-	4700	64	54	54	-1	
ACM Int'l	-	230	59	54	54	-14	Academy	-	2240	14	12	12	-1	
ADM	20	51	24	21	21	-1	Academy	-	1121	14	11	11	-1	
ABBI Corp	-	57	65	58	58	-14	Academy	-	1000	14	11	11	-1	
ABR Inc	-	420	75	68	68	-14	Academy	-	1121	14	11	11	-1	
ACE CO.	-	120	35	30	30	-14	Academy	-	1121	14	11	11	-1	
ACLU U.S.	-	214	72	68	68	-14	Academy	-	1121	14	11	11	-1	
ACT Net	-	628	39	35	35	-14	Academ	-	1200	29	25	25	-12	
ADCTe	-	15	12	10	10	-14	Academ	-	1121	14	11	11	-1	
ADP	-	2221	70	64	64	-14	Academ	-	1121	14	11	11	-1	
ADP Ind	-	2221	21	16	16	-14	Academ	-	1121	14	11	11	-1	
ADP Inc	-	1000	34	30	30	-14	Academ	-	1121	14	11	11	-1	
ADT	-	15	12	10	10	-14	Academ	-	1121	14	11	11	-1	
ADT Inc	-	1200	29	25	25	-14	Academ	-	1121	14	11	11	-1	
ADT Int'l	-	15	12	10	10	-14	Academ	-	1121	14	11	11	-1	
ADT Int'l	-	1200	29	25	25	-14	Academ	-	1121	14	11	11	-1	
ADT Int'l	-	15	12	10	10	-14	Academ	-	1121	14	11	11	-1	
ADT Int'l	-	1200	29	25	25	-14	Academ	-	1121	14	11	11	-1	
ADT Int'l	-	15	12	10	10	-14	Academ	-	1121	14	11	11	-1	
ADT Int'l	-	1200	29	25	25	-14	Academ	-	1121	14	11	11	-1	
ADT Int'l	-	15	12	10	10	-14	Academ	-	1121	14	11	11	-1	
ADT Int'l	-	1200	29	25	25	-14	Academ	-	1121	14	11	11	-1	
ADT Int'l	-	15	12	10	10	-14	Academ	-	1121	14	11	11	-1	
ADT Int'l	-	1200	29	25	25	-14	Academ	-	1121	14	11	11	-1	
ADT Int'l	-	15	12	10	10	-14	Academ	-	1121	14	11	11	-1	
ADT Int'l	-	1200	29	25	25	-14	Academ	-	1121	14	11	11	-1	
ADT Int'l	-	15	12	10	10	-14	Academ	-	1121	14	11	11	-1	
ADT Int'l	-	1200	29	25	25	-14	Academ	-	1121	14	11	11	-1	
ADT Int'l	-	15	12	10	10	-14	Academ	-	1121	14	11	11	-1	
ADT Int'l	-	1200	29	25	25	-14	Academ	-	1121	14	11	11	-1	
ADT Int'l	-	15	12	10	10	-14	Academ	-	1121	14	11	11	-1	
ADT Int'l	-	1200	29	25	25	-14	Academ	-	1121	14	11	11	-1	
ADT Int'l	-	15	12	10	10	-14	Academ	-	1121	14	11	11	-1	
ADT Int'l	-	1200	29	25	25	-14	Academ	-	1121	14	11	11	-1	
ADT Int'l	-	15	12	10	10	-14	Academ	-	1121	14	11	11	-1	
ADT Int'l	-	1200	29	25	25	-14	Academ	-	1121	14	11	11	-1	
ADT Int'l	-	15	12	10	10	-14	Academ	-	1121	14	11	11	-1	
ADT Int'l	-	1200	29	25	25	-14	Academ	-	1121	14	11	11	-1	
ADT Int'l	-	15	12	10	10	-14	Academ	-	1121	14	11	11	-1	
ADT Int'l	-	1200	29	25	25	-14	Academ	-	1121	14	11	11	-1	
ADT Int'l	-	15	12	10	10	-14	Academ	-	1121	14	11	11	-1	
ADT Int'l	-	1200	29	25	25	-14	Academ	-	1121	14	11	11	-1	
ADT Int'l	-	15	12	10	10	-14	Academ	-	1121	14	11	11	-1	
ADT Int'l	-	1200	29	25	25	-14	Academ	-	1121	14	11	11	-1	
ADT Int'l	-	15	12	10	10	-14	Academ	-	1121	14	11	11	-1	
ADT Int'l	-	1200	29	25	25	-14	Academ	-	1121	14	11	11	-1	
ADT Int'l	-	15	12	10	10	-14	Academ	-	1121	14	11	11	-1	
ADT Int'l	-	1200	29	25	25	-14	Academ	-	1121	14	11	11	-1	
ADT Int'l	-	15	12	10	10	-14	Academ	-	1121	14	11	11	-1	
ADT Int'l	-	1200	29	25	25	-14	Academ	-	1121	14	11	11	-1	
ADT Int'l	-	15	12	10	10	-14	Academ	-	1121	14	11	11	-1	
ADT Int'l	-	1200	29	25	25	-14	Academ	-	1121	14	11	11	-1	
ADT Int'l	-	15	12	10	10	-14	Academ	-	1121	14	11	11	-1	
ADT Int'l	-	1200	29	25	25	-14	Academ	-	1121	14	11	11	-1	
ADT Int'l	-	15	12	10	10	-14	Academ	-	1121	14	11	11	-1	
ADT Int'l	-	1200	29	25	25	-14	Academ	-	1121	14	11	11	-1	
ADT Int'l	-	15	12	10	10	-14	Academ	-	1121	14	11	11	-1	
ADT Int'l	-	1200	29	25	25	-14	Academ	-	1121	14	11	11	-1	
ADT Int'l	-	15	12	10	10	-14	Academ	-	1121	14	11	11	-1	
ADT Int'l	-	1200	29	25	25	-14	Academ	-	1121	14	11	11	-1	
ADT Int'l	-	15	12	10	10	-14	Academ	-	1121	14	11	11	-1	
ADT Int'l	-	1200	29	25	25	-14	Academ	-	1121	14	11	11	-1	
ADT Int'l	-	15	12	10	10	-14	Academ	-	1121	14	11	11	-1	
ADT Int'l	-	1200	29	25	25	-14	Academ	-	1121	14	11	11	-1	
ADT Int'l	-	15	12	10	10	-14	Academ	-	1121	14	11	11	-1	
ADT Int'l	-	1200	29	25	25	-14	Academ	-	1121	14	11	11	-1	
ADT Int'l	-	15	12	10	10	-14	Academ	-	1121	14	11	11	-1	
ADT Int'l	-</													

Admits
Too Laz
e-pounding
Bettison

ESCAPE

Line Hom

CURRENCY

Continued on Page 15

مکان الأصل

INTERNATIONAL BUSINESS / FINANCE

MONDAY, DECEMBER 28, 1998

PAGE 11

Tokyo Admits Being Too Lax In Responding To Recession

Agence France-Presse

TOKYO — The government acknowledged Sunday that it had acted too slowly in attempting to pull the economy out of a recession stemming from the burst of the "bubble economy" investment boom in the late 1980s.

"I failed to fully anticipate the adverse effects of slow disposal of bad loans borne by financial institutions," the Economic Planning Agency said in a year-end report.

The government has instead "tried to reflect the economy under the lead of measures to stimulate demand, a prescription valid for a usual business slump," said the annual review of the Japanese economy.

Several economic stimulus packages failed to produce results while expanding budget deficits and harming consumer sentiment, the report said.

In November, the government announced its biggest-ever stimulus package, pledging to spend more than 23 trillion yen (\$198 billion) and promising that the world's second-largest economy would soon grow again.

The plan brings to more than 100 trillion yen the amount Tokyo will have spent trying to revive growth since the early 1990s.

The bust of the bubble economy with sharp depreciation of asset values would have delivered a considerable blow to the Japanese economy, the report said, "even if the banking sector began disposing of their bad loans much more swiftly."

But reluctance on the part of the public and private sectors to admit failure has left the economy unable to pull out of recession, the report said.

Delays in taking decisive countermeasures can be attributed to an optimism that asset inflation, a natural panacea for past economic problems, would eventually work, the report said.

Banks have also been slow in disposing of their bad loans, it added.

The report said the bust of the bubble had led to a combined capital loss of 840 trillion yen to Japanese businesses and households between 1990 and 1996.

The sum is about 1.7 times Japan's gross domestic product in 1996.



The All Star Cafe in Times Square in New York has been offered for sale by its parent, Planet Hollywood.

Theme Restaurants Fall Out of Fashion

By Charles V. Bagli
New York Times Service

lapsing. Even former Wall Street favorites such as Hard Rock Cafe, Planet Hollywood and Rainforest Cafe have seen sales tumble as diners go elsewhere.

Industry analysts and restaurant consultants cite various reasons.

Though the restaurants' themes ranged from movie or television memories to sports stars, supermodels and tropical rain forests, the food was often dismissed as tasteless.

The elaborate decor — rock-and-roll collectibles, racing cars, jungle habitats — was impressive but distracting, and the novelty soon wore thin. Rapid expansion into smaller cities such as Indianapolis undercut the cachet of flagship restaurants in London and New York.

Landlords who once welcomed theme restaurants have turned their backs.

"The life cycle of theme restaurants has been a lot shorter than anyone expected," said Ron Paul, president of Technomic Inc., a restaurant consulting firm based in Chicago. "Even in New York, where there's a huge tourist population, the novelty's gone."

The trend is not confined to New York: The Fashion Cafe in London went into receivership in October; Planet Hollywood closed its movie-theme restaurants in Aspen, Colorado, and in Jakarta and scratched plans to open an All Star Cafe in Chicago; Mr. Copperfield's Magic Underground scrapped plans to open restaurants in Chicago and Las Vegas, though it still hopes to open one in Orlando, Florida. Many others never got beyond the first press release.

Restaurant analysts and real-estate executives say the concept is not necessarily dead. They expect Hard Rock, the largest and oldest theme chain, to survive and even prosper, because it has done the best job of focusing on food and decor. Planet Hollywood is working on a plan to reorganize as a leaner company, jettison All Star Cafe and pull out of its tailspin. And newcomers such as ESPN Zone and Wrestlemania Cafe, with their ties to television, may catch on.

But the carnage has been enormous in

See THEME, Page 13

CYBERSCAPE

On-Line Homesteading Bridges Distance

By Leslie Walker
Washington Post Service

WASHINGTON — Jack Kohnen's family gathered in its very own "Kohnen Kerner" in cyberspace recently after a broken hip sent him to a nursing home in Colorado. Across the United States, dozens of his children and grandchildren signed onto their private area of the Yahoo! site to schedule a relay of visits out west.

"Nobody wanted him to be alone, especially at Christmas."

"People are trying to be there for Grandpa. This was much faster than snail mail," said Lucy Kohnen, 29, a San Francisco woman who created her family's forum in response to an electronic mail message from Yahoo! Inc. offering the service.

The Kohnens are among tens of thousands of families, hobbyists, clubs, civic groups and small businesses that are taking advantage of dynamic new "group publishing" software that lets Web site operators develop as a weapon in the fight for mass audiences.

Taking vanity publishing to a new level on-line, the software lets people create private virtual worlds — in-

teractive forums where friends and family can chat, post messages, and share calendars and address books. Some even let users create personal photo albums and conduct instant polls. All of these services are free.

Commercial "homesteading" sites have long offered free home pages and sold ads on them. But lately the drive for profit and domination of the Web is making the self-publishing business more competitive and creative — with consumers as the beneficiaries.

Big portal sites on the Web, such as Yahoo!, are offering free personal "clubs" to consumers because they know if they don't, someone else will.

They are fighting for the right to be the host of your virtual world, even though you might not think you want one. It's your loyalty they're angling for, figuring that if you set up shop on their computers, you'll use other services such as search and stock quotes, look at the ads they post, and bring in friends.

Until recently, many big businesses operating on the Web, including traditional media companies, including one for fans of the band Hanson that has 10,000 members who post 1,000 messages a day.

Already, the ad inventory in Yahoo!'s "clubs" (each page carries a small ad) is sold out for all of 1999. Advertisers like to target their messages by topic, making special-interest club pages a comparatively easy sell — music companies, for instance, jump at the chance to put their ads before people in music clubs.

None is profitable yet, but investors don't care. That will come later, they believe. What matters to them is that the 10 fastest-growing sites for much of this year were ones where users create content.

In August, eager not to miss out on something big, Excite and Yahoo! began offering group-publishing tools that allow more interactivity than the static pages offered by GeoCities. Kon Inc. launched similar technology in August at Familyshoebox.com.

In just four months, with little promotion, tens of thousands of user-created communities popped up on Excite, and more than 40,000 on Yahoo! Yahoo!'s music category alone has spawned more than 5,000 clubs, including one for fans of the band Hanson that has 10,000 members who post 1,000 messages a day.

Sites that offer static pages aren't standing still. GeoCities announced this month that it would soon offer its 3 million members free syndicated content to insert into their home pages, including news headlines from The Associated Press.

E-mail address:

CyberScape@washingtonpost.com

Recent technology articles:

www.washingtonpost.com/HTTECH1/

CURRENCY RATES

Cross Rates									
\$	£	¥	DM	FRF	ATC	ITL	ES	PT	CLP
1.00	0.6165	115.00	1.5105	4.0405	1.0105	1.2105	1.1505	1.0505	1.0000
U.S. dollar	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
Swiss franc	1.6225	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
French franc	1.0225	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
Italian lira	1.0240	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
Australian dollar	1.0240	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
Spanish peseta	1.0240	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
Portuguese escudo	1.0240	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
Canadian dollar	1.0240	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
Swedish krona	1.0240	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
Danish krone	1.0240	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
Norwegian krone	1.0240	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
New Zealand dollar	1.0240	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
Malaysian ringgit	1.0240	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
Chinese yuan	1.0240	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
Other currencies	1.0240	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000

Changes in American, London, Milan, New York, Paris, Toronto and Zurich. Figures in parentheses.

To buy one pound is To buy one dollar. Units of 100.

U.S. dollars are from Dec. 25.

To buy one pound is To buy one dollar. Units of 100.

U.S. dollars are from Dec. 25.

To buy one pound is To buy one dollar. Units of 100.

U.S. dollars are from Dec. 25.

To buy one pound is To buy one dollar. Units of 100.

U.S. dollars are from Dec. 25.

To buy one pound is To buy one dollar. Units of 100.

U.S. dollars are from Dec. 25.

To buy one pound is To buy one dollar. Units of 100.

U.S. dollars are from Dec. 25.

To buy one pound is To buy one dollar. Units of 100.

U.S. dollars are from Dec. 25.

To buy one pound is To buy one dollar. Units of 100.

U.S. dollars are from Dec. 25.

To buy one pound is To buy one dollar. Units of 100.

U.S. dollars are from Dec. 25.

To buy one pound is To buy one dollar. Units of 100.

U.S. dollars are from Dec. 25.

To buy one pound is To buy one dollar. Units of 100.

U.S. dollars are from Dec. 25.

To buy one pound is To buy one dollar. Units of 100.

U.S. dollars are from Dec. 25.

To buy one pound is To buy one dollar. Units of 100.

U.S. dollars are from Dec. 25.

To buy one pound is To buy one dollar. Units of 100.

U.S. dollars are from Dec. 25.

To buy one pound is To buy one dollar. Units of 100.

U.S. dollars are from Dec. 25.

To buy one pound is To buy one dollar. Units of 100.

U.S. dollars are from Dec. 25.

To buy one pound is To buy one dollar. Units of 100.

U.S. dollars are from Dec. 25.

To buy one pound is To buy one dollar. Units of 100.

U.S. dollars are from Dec. 25.

To buy one pound is To buy one dollar. Units of 100.

U.S. dollars are from Dec. 25.

To buy one pound is To buy one dollar. Units of 100.

U.S. dollars are from Dec. 25.

To buy one pound is To buy one dollar. Units of

CAPITAL MARKETS ON MONDAY

Raising a Glass to Those Who Taught the Financial Lessons of 1998

By Gretchen Morgenson
New York Times Service

NEW YORK — Simply living through 1998 proved quite a learning experience for many investors. People previously acquainted only with a bull market in stocks finally looked a bear market in the eye. Those who had never paid much attention to the bond market learned in late summer that when its mysterious wheels grind to a halt, a full-blown credit crisis can result.

Investors also discovered why AlanGre., Japan, the chairman of the Federal Reserve Board, is a lot more important to the markets than President Bill Clinton. And they found out why those large risky investment pools are called hedge funds — because they often get clipped.

What better time than the end of a momentous market year to reflect on its players, both major and minor, and to

INVESTING

bank in its priceless moments with the awarding of the first Augustus Melville Memorial Prizes?

The awards, for this year's financial flubs and foibles, are named for a larger-than-life character in "The Way We Live Now," a novel by Anthony Trollope. The book details the chicanery of Mr. Melville, a financial plunger of mysterious background who buys his way into the upper levels of London society, entertaining royalty and gaining a seat in Parliament. His fall from grace comes when a railroad company for which he helped raise money is found to be nonexistent.

PARTY ANIMAL OF THE YEAR AWARD: To Alan Greenspan. Who knew that the man who warned investors about irrational exuberance in the stock market in 1996 would work so hard 3,000 Dow points later to keep the party going? Mr. Greenspan's three successive interest-rate cuts this autumn and explosive increases in the money supply meant that investors partied hearty late in 1998.

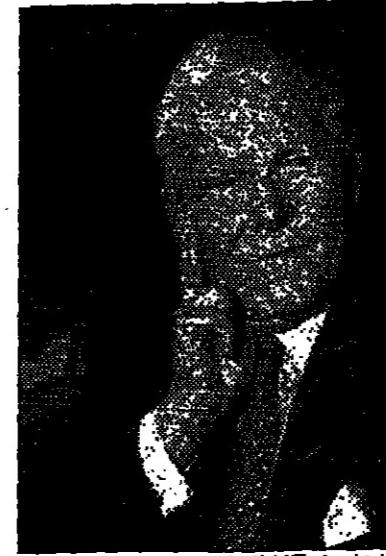
AMIABLE DUNCE AWARD: To



Clinton: Upstaged on the economy.



Greenspan: Revived the bull market.



Dunlap: Got a taste of his own cure.



Gates: Impressively ignorant.

Bill Gates, chairman of Microsoft Corp. Before his taped depositions in the Justice Department's antitrust suit against Microsoft, most people assumed that the world's richest man had to be a genius. After all, amassing \$51 billion in personal wealth usually takes brains.

But in his testimony, Mr. Gates displayed an impressive ignorance about such business basics as market share, and he could not explain what he had meant when he wrote an electronic mail message to top aides saying, "Winning Internet browser market share is a very, very important goal for us."

And how smart is it to underestimate the determination of the federal government in full pursuit? According to a witness in the trial, Mr. Gates predicted back in 1995 that "this antitrust thing will blow over."

KNEADING OUT THE KINKS AWARD: To Walter Forbes, former chairman of Cendant Corp. Forbes was chief of CUC International, a membership services company, that merged with the franchiser HFS to create Cendant in 1997. After the merger, auditors found that CUC's numbers had been massaged to create profits that, on second look, were losses instead.

Cendant has since restated three years of results. In 1997, for example, the company had a \$217 million loss, not the \$55.5 million profit it initially reported. Mr. Forbes left with a \$35 million severance package, saying he had "absolutely no knowledge" of the accounting problems.

TIMING IS EVERYTHING AWARD: To the top executives of Cendant. In October, after Cendant stock had lost two-thirds of its value, failing to a low of \$7.50, executives cut the exercise price on 26.3 million stock options to \$9.81. Previously, the options had prices between \$12.26 and \$20.

The stock has since recovered, giving the executives an enormous windfall but leaving public shareholders wondering: Where are our repriced shares?

ROUND WHEEL AWARD: To Albert Dunlap, pushed from his post as chairman of Sunbeam Corp. in June. Mr. Dunlap, known for axing thousands of jobs to keep his company's stock

price high, learned that what goes around sometimes comes around.

Under Mr. Dunlap, author of "Mean Business: How I Save Bad Companies and Make Good Companies Great," the company was found to have overstated Sunbeam's earnings in 1997 by 65 percent, largely by selling barbecue grills to retailers in December and agreeing to defer billing on the goods until the following summer.

While almost nobody felt sorry for Mr. Dunlap, Sunbeam shareholders were to be pitied indeed. The company's stock, which traded as high as \$53 in March, was still skulking around at \$5.5625 six months after Mr. Dunlap left.

DEPENDS HOW YOU DEFINE "ONE TIME" AWARD: To the management bank reaped millions in underwriting fees on two Russian bond deals peddled to customers in June and July. Not long after the ink on the \$7.65 billion in bonds was dry, Russia's banking system collapsed, making the bonds worthless. The firm earned \$56 million on the July deal alone.

BACK-OF-THE-ENVELope RESEARCH AWARD: To Henry Blodget, Internet stock analyst at Oppenheimer & Co. On Dec. 16, Blodget raised his year-end 1999 price target for

PREDICTIONS ARE DAN-

GEROUS AWARD: To the management of Starwood Hotels & Resorts. On Nov. 11, 1997, with shares in the Starwood real estate investment trust trading at \$35.25, the company ran a full-page newspaper ad listing the 12-month projections from 10 Wall Street analysts for Starwood's stock price. Ever optimistic, the analysts reckoned that Starwood shares would trade between \$75 and \$83. Two months later, the stock was just over \$27, a victim of investor fears over the performance of REITs in a slowing economy.

Oh well. Who will remember?

UNDUE DILIGENCE AWARD: To Goldman, Sachs & Co. The investment bank reaped millions in underwriting fees on two Russian bond deals peddled to customers in June and July. Not long after the ink on the \$7.65 billion in bonds was dry, Russia's banking system collapsed, making the bonds worthless. The firm earned \$56 million on the July deal alone.

ONE-YEAR BEST TRADE AWARD: To the risk-management committee of Switzerland's UBS AG, the world's second-largest bank. UBS wanted so desperately to invest in the Long-Term Capital Management hedge fund that it made personal loans to the fund's partners and bought an \$800 million stake in Long-Term Capital as part of a derivatives transaction.

When the teetering hedge fund had to be rescued by a consortium of Wall Street banks and brokerage firms in September, UBS wound up writing off its investment, losing \$700 million in the process. The bank's chairman, Mathis

Amazon.com Inc. from \$150 a share to \$400. That would give the on-line bookseller a market capitalization of \$21 billion — one-third the value of all books sold in the world at retail last year.

Mr. Blodget told Bloomberg News that he had raised his price target because Amazon.com had blown through the one he set earlier.

The day Mr. Blodget made his optimism public to the investing masses, Amazon shares jumped 17 percent, to \$289. A week later, the stock was at \$325. Could a \$300 price target be far behind?

YEAR'S BEST TRADE AWARD: To the risk-management committee of Switzerland's UBS AG, the world's second-largest bank. UBS

wanted so desperately to invest in the Long-Term Capital Management hedge fund that it made personal loans to the fund's partners and bought an \$800 million stake in Long-Term Capital as part of a derivatives transaction.

When the teetering hedge fund had to be rescued by a consortium of Wall Street banks and brokerage firms in September, UBS wound up writing off its investment, losing \$700 million in the process. The bank's chairman, Mathis

Cabialavetta, and three other top executives resigned over the disaster.

A SOW'S EAR IS A SOW'S EAR AWARD: To executives of Zapata Corp., a fish-oil and meat-casing company in Houston. Hoping to breathe a little life into the company's stock, Zapata management announced plans in July to become "one of the largest Internet companies in the world." How? By buying or investing in enough World Wide Web sites that it could compete with established search engines such as Yahoo! and Excite.

Investors snapped up Zapata shares on the news, pushing the formerly comatose stock from around \$10 to almost \$23. Alas, the Internet plans fizzled, and the stock fell back to earth — until the company announced last week that its Internet onslaught was back on track.

PATIENCE IS ITS OWN REWARD AWARD: To individual investors. Those who hung tight through the summer's market meltdown — while professional money managers panicked — proved that every once in a while, amateurs can beat the pros at their own game.

Mutual Funds and REITs Offer Opportunities

Q & A / Hal Reynolds

Christmas has come and gone, and only a handful of days remain in what has been for many a truly unusual — and often painful — year. Hal Reynolds, chief investment officer of Wilshire Asset Management, which manages about \$10 billion in assets from its headquarters in Santa Monica, California, spoke recently with Kenneth N. Gipin of The New York Times about what sort of a year it was and offered some thoughts about 1999.

Q: Developments in financial markets in the United States and around the world have generated a lot of surprises this year. But has 1998 really been that atypical?

A: I don't know if I would call it unusual. We tend to get equity corrections every three to four years. The situation in emerging markets, which began in the fall of 1997, is not an unusual event, because we have seen boom-and-bust cycles there before.

Q: Large-capitalization stocks have outperformed small-caps for five years in a row now. The performance of the average equity fund has badly lagged the Standard & Poor's 500-stock index, which is up well over 20 percent this year. What does that say?

A: It does not say investors would do better buying individual stocks than mutual funds.

The return-to-risk ratio of individual

stocks is far inferior to a well-diversified portfolio. And the Standard & Poor's index is not the market. Moreover, about half the stocks that are in it have returned less than a money-market fund this year.

Q: Long-Term Capital Management, the hedge fund that almost failed this autumn, provided a jolt to the financial system. What should we take away from that experience?

A: The lessons to be learned from Long-Term Capital are much more relevant to institutional investors than individuals.

Institutions went into hedge funds because they were very concerned about high valuations in the equity market and wanted diversification. But a highly leveraged hedge fund carries similar or higher levels of risk than staying in equities.

The near-collapse of Long-Term Capital stands as a reminder to require transparency, and to have a good risk-monitoring system in place. Buying into the best and the brightest, which is how Long-Term was seen, isn't good enough.

Q: Markets have been volatile this year. Should we expect more of the same?

A: It's hard to get investors excited about something that yields only 5 or 6 percent?

Q: Why will stocks be a risky investment in 1999?

A: There is a real chance we won't get strong earnings growth next year. If that happens, we will probably get lower earnings multiples on stocks.

So we think it is a good time for investors to look at sectors of the market where the risk is less and returns are higher.

One area we like is real estate investment trusts, which have had a bad year. But the fundamentals are strong, and many REIT stocks are trading with dividend yields of 6 percent to 6.5 percent.

Q: Markets have been volatile this year. Should we expect more of the same?

A: The first eight years of this decade were a period when equity risk was the lowest it has been in the post-World War II era, with volatility running at about 12 percent. In 1998, it was closer to 20 percent. We think it will be close to that next year.

Q: Why is that?

A: The characteristics of the stock market are different than they used to be. We are getting more return in the form of capital appreciation and less in the form of dividends. That makes stocks a riskier asset. The dividend yield in 1990 was as high as 4 percent. Today it is 1.4 percent. That is a pretty dramatic change.

Q: Why will stocks be a risky investment in 1999?

A: There is a real chance we won't get strong earnings growth next year. If that happens, we will probably get lower earnings multiples on stocks.

So we think it is a good time for investors to look at sectors of the market where the risk is less and returns are higher.

One area we like is real estate investment trusts, which have had a bad year. But the fundamentals are strong, and many REIT stocks are trading with dividend yields of 6 percent to 6.5 percent.

Q: Markets have been volatile this year. Should we expect more of the same?

A: It's hard to get investors excited about something that yields only 5 or 6 percent?

Q: Why will stocks be a risky investment in 1999?

A: There is a real chance we won't get strong earnings growth next year. If that happens, we will probably get lower earnings multiples on stocks.

So we think it is a good time for investors to look at sectors of the market where the risk is less and returns are higher.

One area we like is real estate investment trusts, which have had a bad year. But the fundamentals are strong, and many REIT stocks are trading with dividend yields of 6 percent to 6.5 percent.

Q: Markets have been volatile this year. Should we expect more of the same?

A: It's hard to get investors excited about something that yields only 5 or 6 percent?

Q: Why will stocks be a risky investment in 1999?

A: There is a real chance we won't get strong earnings growth next year. If that happens, we will probably get lower earnings multiples on stocks.

So we think it is a good time for investors to look at sectors of the market where the risk is less and returns are higher.

One area we like is real estate investment trusts, which have had a bad year. But the fundamentals are strong, and many REIT stocks are trading with dividend yields of 6 percent to 6.5 percent.

Q: Markets have been volatile this year. Should we expect more of the same?

A: It's hard to get investors excited about something that yields only 5 or 6 percent?

Q: Why will stocks be a risky investment in 1999?

A: There is a real chance we won't get strong earnings growth next year. If that happens, we will probably get lower earnings multiples on stocks.

So we think it is a good time for investors to look at sectors of the market where the risk is less and returns are higher.

One area we like is real estate investment trusts, which have had a bad year. But the fundamentals are strong, and many REIT stocks are trading with dividend yields of 6 percent to 6.5 percent.

Q: Markets have been volatile this year. Should we expect more of the same?

A: It's hard to get investors excited about something that yields only 5 or 6 percent?

Q: Why will stocks be a risky investment in 1999?

A: There is a real chance we won't get strong earnings growth next year. If that happens, we will probably get lower earnings multiples on stocks.

So we think it is a good time for investors to look at sectors of the market where the risk is less and returns are higher.

One area we like is real estate investment trusts, which have had a bad year. But the fundamentals are strong, and many REIT stocks are trading with dividend yields of 6 percent to 6.5 percent.

Q: Markets have been volatile this year. Should we expect more of the same?

A: It's hard to get investors excited about something that yields only 5 or 6 percent?

Q: Why will stocks be a risky investment in 1999?

A: There is a real chance we won't get strong earnings growth next year. If that happens, we will probably get lower earnings multiples on stocks.

So we think it is a good time for investors to look at sectors of the market where the risk is less and returns are higher.

One area we like is real estate investment trusts, which have had a bad year. But the fundamentals are strong, and many REIT stocks are trading with dividend yields of 6 percent to 6.5 percent.

Q: Markets have been volatile this year. Should we expect more of the same?

A: It's hard to get investors excited about something that yields only 5 or 6 percent?

Q: Why will stocks be a risky investment in 1999?

A: There is a real chance we won't get strong earnings growth next year. If that happens, we will probably get lower earnings multiples on stocks.

So we think it is a good time for investors to look at sectors of the market where the risk is less and returns are higher.

EURO:

Prices Will Still Vary

Continued from Page 1

Booking prices in euros and plan to start quoting in euros on credit-card purchases as early as next week. Banks are required to let their customers keep their accounts in euros or the local currency, and all interbank transfers will be cleared in euros.

Companies such as DaimlerChrysler AG and Siemens AG are converting their books and producing suppliers to deal in euros as quickly as possible.

Big retailers such as Carrefour SA in France and Metro AG in Germany are beefing up their computer systems to catch suppliers' pricing discrepancies.

Car companies are gradually bringing prices into closer alignment from country to country. Computer manufacturers, generating more sales through the borderless Internet, are doing the same.

Still, those who expect Adam Smith's invisible hand to swiftly eliminate price differences are likely to be disappointed. European prices are rooted in big social and institutional differences that companies have learned to respect.

Consumer buying power, for example, is much weaker in Spain and Portugal, where personal incomes are about 25 percent lower than the European average. Aspirin is more expensive in Germany in part because laws aimed at protecting small pharmacies prohibit supermarkets from selling it. Groceries are expensive in Paris; the city has prohibited high-volume hypermarkets within its boundaries. Sales taxes and luxury taxes also vary.

"I think the euro will bring lower prices over all but that the price differences will be more or less the ones we have right now," said Stephane Douchy, a market analyst at Test-Achats, a consumer research association based in Brussels.

"With the euro, there will be greater price transparency," added Harald Muenzberg, a retail industry expert at Gemini Consulting in Bad Homburg, Germany. Still, he said, it will remain "relatively difficult" to figure out prices.

"There are many different prices for many different products," he added. "There are discounts, advertising allowances, rebates. All of that leads to different pricing."

For people such as Mr. Gossens of Brau, which is owned by Gillette Corp., it adds up to big struggles ahead. "Our customers are coming to us and saying, 'We want to pay the lowest prices possible,'" he said. "But what is that?"

The customers Mr. Gossens has in mind are people such as Vincent de Meaux, who coordinates euro planning at Carrefour. Based in Paris, the company owns nearly 200 hypermarkets in Europe and 100 in Asia and Latin America.

Mr. de Meaux says he is looking forward to the euro; he expects retailers to grab more influence over pricing

Will the Old Currencies Be Missed?

By John Tagliabue
New York Times Service

ROME — Andrew Windsor is already nostalgic. "It will be a real shame," said Mr. Windsor, head of retail operations at Thomas Cook Group, the British travel-services company, to see venerable European currencies such as the French franc, the peseta and the lira just disappear.

Travelers, he said, "see using foreign notes and coins as an exciting and integral part of their holidays."

The romance is lost, however, on Geoffrey Lipman, president of the World Travel and Tourism Council. Emptying his wallet during a recent phone conversation, he listed the banknotes he found.

"Pounds sterling, Belgian francs, American dollars," Mr. Lipman said with a groan. "And before I cleaned it this week, I had German marks, too."

Nostalgic or not, come Friday, travelers to Europe will encounter 11 nations undertaking a historic shift—the replacement of their currencies by the euro. The extent of the change will not be immediately obvious. In most places in the euro zone, prices will still be posted in local currencies. Travelers who need cash will still have to change dollars for marks, francs, lire or other familiar bills. Euro coins and bills will not appear until 2002.

But beginning Friday, the local currencies will all simply be denominations of the euro. Travelers changing money will in fact be trading dollars for euros but pocketing them in the form of marks, francs or the like.

from the hands of suppliers.

"The market dynamics have existed for several years already," he said recently in Paris. "But this will make more pressure on suppliers; that is obvious. It's not going to happen overnight on Jan. 1. It will take a few years. But it will be a big change."

Carrefour sells just about everything, from fresh fish to personal computers, relying on huge volume to eke out profits from small margins. With total sales this year of about \$32 billion, it competes ferociously on price and puts constant pressure on suppliers.

Yet European incongruities are sufficiently confounding—and so deeply rooted—that even giant retailers can hardly expect to call all the shots.

For one thing, European consumers have widely varying tastes, which means that identical goods are not sold everywhere and that comparison pricing across borders can be tricky. Italians like big, "family-sized" bottles of shampoo, for instance, while French families prefer smaller bottles tailored to individuals. Nestle has scores of vari-

such as airlines and car rental agencies would be forced to cut prices.

Of course, corporate travel departments that insist on doing business in euros will have to invest to update their computer software, and they may need to renegotiate contracts for bulk services with airlines and hotel chains. But if overall prices start falling because of the introduction of the euro, travel companies, facing lower profits, may be less willing to negotiate discounts for corporate customers.

The travel industry, fearing that prices will drop, has been in no hurry to embrace the euro, according to Reinhard Schulte-Braucks, a European Union official who helps companies prepare for the new currency.

Still, travelers will find a continent in transition next year, said Hasan Alemdar, euro program manager for Visa International in London.

In some places, such as Germany, there probably will be separate cash registers for marks and euros; in France and Spain, stores will probably accept payment in the local currency or in euros at the same point of sale. In a third group of countries, many stores may not immediately be ready to trade in euros, so they will require payment in the old local currency and merely inform the customer of the euro amount on a separate receipt.

Experts advise travelers to count their change carefully—but not to count on any windfalls.

"It's like switching from Celsius to Fahrenheit," Mr. Schulte-Braucks said. "It doesn't get warmer or colder; you don't get richer or poorer."

to supply 130 stores in France, you can't change all your suppliers every time someone offers a lower price."

Price comparisons can even be difficult on the Internet. Consider the experience of Dell Computer Corp., which sells about \$2 million of personal-computer equipment a day in Western Europe over the World Wide Web.

When Dell began marketing over the Web in 1996, it equalized prices across boundaries. Nonetheless, consumers were nudged in different directions by means of separate home pages for almost every country.

Different countries also have very different retailing systems, some more efficient than others. High-volume hypermarkets have a strong presence in France and Spain, but Germany has a high proportion of smaller specialty stores.

On top of all this are logistical rigidities that are the modern tracings of hundreds or thousands of years of national divisions on the Continent. "Carrefour can't just say, 'Well, I'll buy all my Coke from Spain because it's cheaper,'" Mr. de Meaux said. "If you need

to supply 130 stores in France, you can't change all your suppliers every time someone offers a lower price."

Price comparisons can even be difficult on the Internet. Consider the experience of Dell Computer Corp., which sells about \$2 million of personal-computer equipment a day in Western Europe over the World Wide Web.

When Dell began marketing over the Web in 1996, it equalized prices across boundaries. Nonetheless, consumers were nudged in different directions by means of separate home pages for almost every country.

As a result, comparing prices is anything but simple. Customers who log on to the German page find that the basic home computer is a modest machine that costs about 2,894 Deutsche marks, or \$1,722. The prices and complexity go up from there. Those who log on to the Spanish page are led to an entirely different series of computers. This line starts with a model that sells at \$347,000 pesos, or \$2,424, and from there the prices and complexity go down—ultimately below the cheapest German packages.

SHORT COVER

Murdoch Seals Deal With Telecom Italia

MILAN (Combined Dispatches) — Telecom Italia SpA plans to sell 80 percent of its Stream pay-television channel to News Corp., giving Rupert Murdoch a long-sought entry to the Italian television market.

Telecom Italia said Saturday that partners from Italy and other European countries could be included in the eventual deal.

The state telecommunications company, which is being privatized, said Stream was valued on the basis of \$1,350 per subscriber. Stream claims 110,000 subscribers, giving the company a total value of \$148.5 million. That values the 80 percent stake at \$118.8 million.

Separately, Kirch Group refused to comment Sunday on a report that News Corp. hoped to take a \$1 billion stake in the holding company being formed through the restructuring of the German media company. Focus magazine reported the other two international investors would be Prince Walid ibn Talal of Saudi Arabia and the Italian media tycoon Silvio Berlusconi. (AP, Bloomberg)

AngloGold Completes Minoro Unit Purchase

JOHANNESBURG (AFP) — AngloGold Ltd., the world's largest gold producer, said Sunday that it had paid \$550 million for control of Minoro SA's gold interests, completing a deal it announced in October.

The acquisition will be effective Thursday, the company said. It is expected to decrease the company's earnings per share by 5 percent and increase its net asset value per share by 10 percent.

Seoul Warns LG Over Resistance

Agence France-Presse
SEOUL — The South Korean presidential office warned Sunday that banks would impose sanctions against LG Group for defying a yearlong government ban to restructure the country's crisis-hit industrial sector.

"Financial sanctions are inevitable if LG remains opposed to the merger," Park Ji Won, a presidential spokesman, said.

The warning followed an announcement that LG Semicon Ltd. would sue Arthur D. Little & Co. for "damages and libel" over its evaluation of LG's management. The American consultancy has judged Hyundai Electronics Ind. as better positioned for managing a giant semiconductor unit to be created in a merger with LG Semicon.

Koo Bon Joon, president of LG Semicon, accused the consultancy of using "distorted information provided by one side." He said LG Semicon would take action against the company, probably in January.

LG's challenge fueled resentment among government officials, who have touted the semiconductor merger as the centerpiece of South Korea's corporate restructuring.

THEME: Trendy Restaurant Chains Are Forced Onto Crash Diet

Continued from Page 11

an industry in which the number of theme-restaurant chains jumped from six to more than 30 in six years, as annual revenue rose to more than \$2 billion from an estimated \$300 million.

Direc, a theme chain backed by the film director Steven Spielberg and based on classic science-fiction movies, has not gone beyond Los Angeles and Las Vegas. Billboard Live, featuring live music from Billboard magazine charts, died in Los Angeles, Vegas, which blended food and high-kicking chorus girls, announced its debut in September 1996 and promptly disappeared.

Three never got beyond the prototype stage: RKO Pictures, which was to combine food and old movies; Marvel Mania, which was based on Marvel comic book heroes; and Chefs of the World, a theme chain that would celebrate famous chefs.

"The industry's going to contract dramatically and somewhat violently, either through bankruptcy or restaurant closings," said James Berk, president and chief executive of Hard Rock Cafe International, which operates 98 restaurants as well as hotels, concert venues and a record company.

The present situation is a far cry from the mid-1990s.

In the first nine months of 1998, Planet Hollywood lost \$15.7 million, compared with a profit of \$52.1 million during the corresponding period last year. Sales dropped 20 percent in the third quarter this year at restaurants open more than 18 months, continuing a two-year trend. Shares of Planet Hollywood have plunged from more than \$32 in 1996 to \$2.625 last week.

Rainforest Cafe expects sales to drop as much as 18 percent this year at the six restaurants that have been open more than 18 months.

At Hard Rock, sales were down 10.1 percent in the first nine months of this year, though overall revenue and operating profit rose more than 2 percent. Much of the decline came from a drop in sales of Hard Rock T-shirts and caps, Mr. Berk said, not because tourists and local residents were ignoring the restaurants.

"People came to see the stars, there weren't any," said Robert Futterman, a real-estate broker based in New York who has been to many theme restaurants.

"They came to eat the food, and it was terrible. What do you need more than one T-shirt for? The thrill is gone," said Michael Mueller, a restaurant analyst with NationsBank Montgomery Securities in San Francisco. "That's since been disproven by the drop in same-store sales at chains like Planet Hollywood."

PANDA SICAV
Société d'Investissement à Capital Variable
R.C. Luxembourg B 58.116

NOTICE OF MEETING

Notice is hereby given that the Annual General Meeting of PANDA SICAV will be held at the Registered Office in Luxembourg, 10A, Boulevard Royal, on:

1. Management Report of the Directors for the year ended 30th September, 1998.
2. Report of the Auditor for the year ended 30th September, 1998.
3. Approval of the Annual Accounts as at 30th September, 1998 and appropriation of the earnings.
4. Discharge to the Directors in respect of the execution of their mandates to 30th September, 1998.
5. Composition of the Board of Directors.
6. Election of the Auditor for a new term of one year.
7. Miscellaneous.

The present notice and a form of proxy are sent to all registered shareholders on record at 6th January, 1999.
In order to attend the meeting, the owners of bearer shares are required to deposit their shares before January 12th, 1999 at the Registered Office.

The registered shareholders have to inform by mail [letter or proxy form] the Board of Directors of their intention to attend the meeting before January 12th, 1999.

By order of the Board of Directors

Are you
a Saxon deep
down?

Back in the Middle Ages, the Saxons went out into the world. Today, things have changed and entrepreneurs from all over the globe are settling in Saxony. In the first half of 1998 alone, some 4,000 companies were formed here in eastern Germany. You don't have to wait for the next mass migration, though, to take advantage of the green-house climate for new businesses and established companies currently prevailing in Saxony. The Saxony Economic Development Corporation will be happy to supply you with all the information you need - free of charge. Simply phone +49/351/3199-10-00, fax +49/351/3199-10-99, or visit the Web site at www.saxony.com.

SAXONY!

IN THIS WEEK'S DOUBLE ISSUE

• Business Week's Investment Outlook

• Why Shell needs to step on the gas

• Baan Co. – the highflyer who fell to earth



BusinessWeek

Most Read. Best Read. Worldwide
For information call Int +44 (0) 1628 502900
www.businessweek.com

U.S. MUTUAL FUNDS

Figures as of close

NASDAQ NATIONAL MARKET

CONFIDENTIAL

DENNIS THE MENACE



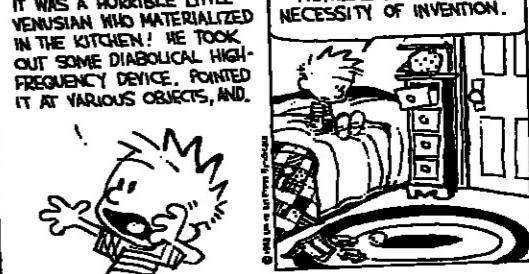
PEANUTS.



CALVIN AND HOBBES



IT WAS A HORRIBLE LITTLE VENUSIAN WHO MATERIALIZED IN THE KITCHEN! HE TOOK OUT SOME DIABOLICAL HIGH-FREQUENCY DEVICE. POINTED IT AT VARIOUS OBJECTS, AND-



GARFIELD



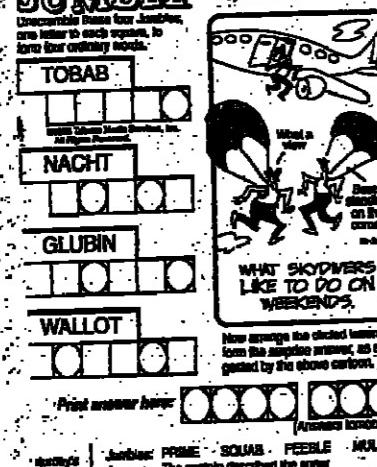
WIZARD of ID



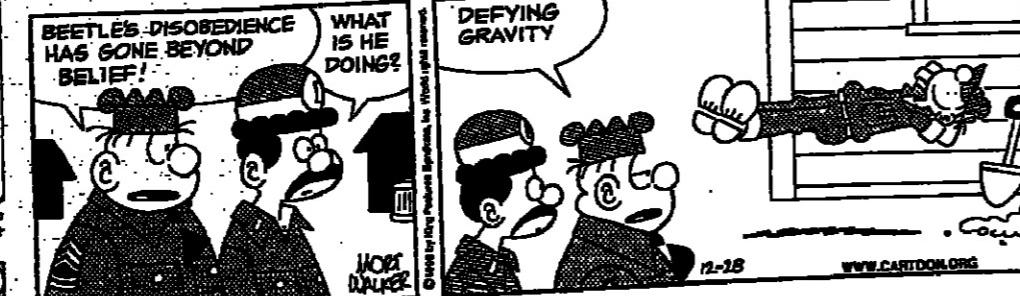
— 1 —



WIMBLEDON



BEETLE BAILEY



NON SEQUITUR



A boy with short hair and a baseball cap is standing in front of a counter. He is wearing a dark t-shirt under a light-colored vest. He is looking towards a display case filled with various items, possibly toys or collectibles. A speech bubble above him contains the text "I WANT A POLARIS!"

BUSINESS OPPORTUNITIES

Appears every Wednesday
in The Intermarket.
advertise contact Sonya Broadhead
in our London office:
Tel.: + 44 1 71 420 0325
Fax: + 44 1 71 420 0338
or your nearest IHT office
or representative.

SPORTS

A Comeback Victory for Wachter

After Injury, Austrian Bests Her Teammate, Meissnitzer, in Giant Slalom

Reuters

SEMMERING, Austria — Anita Wachter stormed to an emotional victory in a World Cup giant slalom Sunday in front of 15,000 delighted home fans.

Wachter, at 31 the oldest skier on the women's circuit, celebrated her unexpected 15th career victory by edging out her Austrian compatriot and the race favorite, Alexandra Meissnitzer.

Wachter's triumph was a surprise, as her 14-year career was almost ended by a knee injury she suffered last January in a Super G crash at Cortina d'Ampezzo, Italy.

Wachter stormed down the fast, perfectly prepared Hirschenkogel course in a two-run combined time of 2 minutes, 7.90 seconds, beating Meissnitzer by a clear margin of 0.74 seconds. It was her first victory since she won a giant slalom in January 1996 in Cortina.

Meissnitzer had won five races in three disciplines this season. Despite the second-place finish, she increased her commanding lead in the overall standings and is now

351 points ahead of Martina Ertl of Germany, who placed seventh Sunday.

The result was the first one-two finish for Austrian women in a giant slalom.

WORLD CUP SKIING

since the late Ulrike Maier won with Wachter placing second in Santa Caterina, Italy, in 1993.

Placing third Sunday, at 2:09.33, was Andrine Flemmen of Norway who won this season's opening giant slalom in Soelden, Austria. Flemmen was eighth in the first run but posted a brilliant second leg to climb five places.

Birgit Heeb of Liechtenstein, third after the first leg, dropped to fourth overall, while Anna Ottosson of Sweden climbed three places after the first leg to finish fifth Sunday.

Wachter's injury caused her to miss the Nagano Olympics and kept her off the slopes for four months.

When she returned, the 1988 Olympic

gold medalist and 1993 overall World Cup champion decided to compete only in the technical disciplines this season — the slalom and giant slalom.

"I didn't know how my knee would react to a full load," she said. "Now I see it was a good decision. I cannot describe how I feel. It is an unbelievable victory which I wasn't counting on."

Wachter's previous season's best had been third in a giant slalom at Val d'Isere, Italy, earlier this month.

"I gained a lot of self-confidence from that race," she said. "I knew I could be in the top three today, but the victory is a big surprise."

Meissnitzer squandered her chance for a third consecutive giant slalom victory with an overly cautious second run in which she finished a disappointing 10th.

She said she had slowed in the second run because she was "terrified of crashing at home."

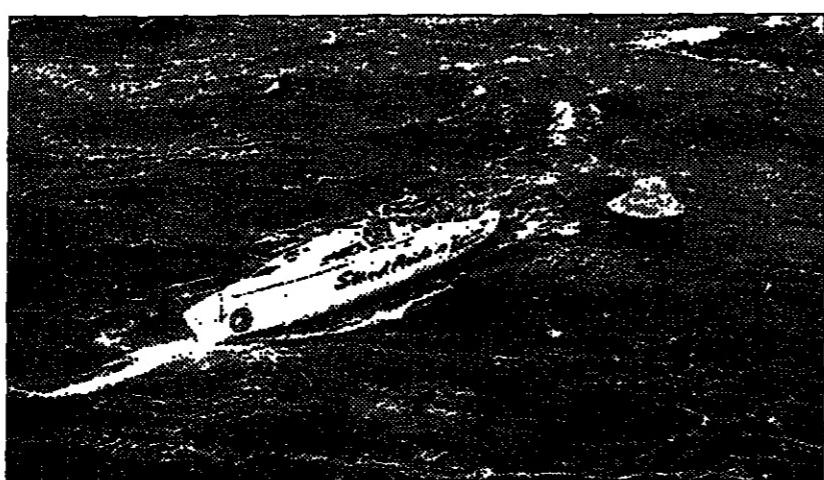
Meissnitzer had won two of the first four giant slaloms this season.



Anita Wachter of Austria en route to winning the women's giant slalom event Sunday in Semmering.

As Storms Hit Australia Race, Navy Searches For Yachtsmen

Compiled by Our Staff From Dispatches



The damaged yacht Stand Aside floating off Australia's southeast coast Sunday, as high winds forced 37 boats out of the Sydney-Hobart race.

by Barry Barclay, a senior constable who dropped into 20-foot seas.

Another helicopter lifted the entire crew of 12 from VC Offshore Stand Aside, whose mast had been destroyed.

Several crew members were injured, with one losing several fingers and another receiving head injuries.

Thirty-seven yachts have been forced to retire from the race.

The Tasmanian 40-footer Business Post Nipad rolled over, as did the Solo Globe Challenger. Several other yachts

— including the tiny Zeus II, Outlaw and Team Jaguar — had suffered structural damage or been dismasted and were either being towed or escorted into Eden in southern New South Wales.

Through it all, the American maxi Maxi Yacht held a narrow lead over Brindabella, the winner last year.

Although both boats were forced to reduce speed, they were still well on the way to setting a race record. In 1996, the German maxi Morning Glory set the mark of two days, 14 hours, 7 minutes and 10 seconds.

(AP, Reuters)

Chelsea Powers Back to the Top

Aston Villa Loses, Giving Up Lead in English Premier League

Compiled by Our Staff From Dispatches

Chelsea returned to the top of the English Premier League with a 2-0 victory at struggling Southampton as Aston Villa went down, 2-1, at another lowly team, Blackburn Rovers.

Tore Andre Flo, a Norwegian striker, and Gustavo Poyet, a Uruguayan midfielder, scored for Chelsea, which is un-

beaten in 18 Premier League games since losing on the first day of the sea-

son. Chelsea moved to the top on goal difference as Villa squandered its three-point lead. After Kevin Gallacher put the Rovers ahead, Villa was reduced to 10 men when Michael Oakes, its goalkeeper, was sent off for handling the ball outside his penalty area. Ricardo Simeone leveled for Villa but, with two minutes to play, Tim Sherwood scored the winner for Blackburn.

After six games without a victory, Manchester United beat last place Nottingham Forest, 3-0. Ronny Johnsen, a Norwegian defender, scored the first two and Ryan Giggs added the other. United and Chelsea meet on Tuesday.

logical toll," said Levir Culpi, the Cruzeiro coach. "But winning the Mercosur Cup is a question of honor."

It's also a question of finances. The Copa Mercosur, in its inaugural year, is played between the leading clubs from Brazil, Argentina, Paraguay, Chile and Uruguay, who take part by invitation. It is conducted primarily for television. The winning team will receive \$3.9 million from the South American Soccer Confederation.

Johan Cruyff, the former Barcelona coach and player, said that if Jose Luis Nunez, the club's president, wants a reconciliation he must withdraw accusations he made when he sacked Cruyff. Spanish newspapers reported Sunday.

Cruzeiro won the first game 2-1 in its home city of Belo Horizonte and needed only a draw in Sao Paulo, home of Palmeiras, to capture the title. Palmeiras had to win to force a third game, which will also take place in Sao Paulo.

On Wednesday, Cruzeiro lost the 1998 Brazilian Championship to the Corinthians in the deciding third game of a hard-fought series.

Cruzeiro had played 80 games this season, Saturday's match was its eighth against Palmeiras. The teams played twice in the final of the Copa Brasil, with Palmeiras winning on aggregate, and three times in a Brazilian championship quarterfinal that Cruzeiro won. They also met once in the first stage of the latter.

On Saturday, Cruzeiro took the lead after two minutes with a penalty converted by Fabio Junior. Arce leveled after nine minutes with a header. Palmeiras kept up a relentless attack against a sluggish Cruzeiro which had not trained since losing to Corinthians. In the second half, Oscar and Paulo Nunes scored for Palmeiras.

"For the past two months, every game has been a life and death situation, and that has taken a heavy psycho-

logical toll," said Levir Culpi, the Cruzeiro coach. "But winning the Mercosur Cup is a question of honor."

It's also a question of finances. The

Copa Mercosur, in its inaugural year,

is played between the leading clubs from

Brazil, Argentina, Paraguay, Chile and

Uruguay, who take part by invitation. It is conducted primarily for television. The winning team will receive \$3.9 million from the South American Soccer Confederation.

Johan Cruyff, the former Bar-

celona coach and player, said that if Jose Luis Nunez, the club's president, wants a reconciliation he must withdraw accusations he made when he sacked Cruyff. Spanish newspapers reported Sunday.

Cruyff had said Saturday that he had sent Cruyff a letter intended to patch up the dispute between them. The club's current manager, Louis van Gaal, is unpopular with fans who have been urging that he, and Nunez, be fired.

Many have called for the return of Cruyff. Nunez's letter fuelled speculation in the Spanish media that he is preparing to do just that.

But Cruyff said he was still soothed from accusations when sacked in April 1996. Cruyff, quoted in the Spanish press, said: "I demand Barcelona withdraw claims I cheated supporters and ruined my image as coach for financial and political gain."

Nunez had written to Cruyff about two matches in his honor. The matches were part of Cruyff's severance package, but never took place because relations between Cruyff and the club had been so poor.

Cruyff was not invited to the launching of the club's centenary celebrations in November, and his name was not mentioned among the club's past glories. In his letter, Nunez offered to stage the matches on March 10 and April 6 as part of the centenary celebrations.

(AP, AFP, Reuters)

South Africa Leads West Indies in Test

Compiled by Our Staff From Dispatches

when Rose dismissed Gary Kirsten, Herschelle Gibbs and Jacques Kallis as the home country declined from 57 for no wicket to 80 for three.

Cullinan and Cronje put on 60 for the fourth wicket and Cullinan and Rhodes added 42 for the fifth wicket, a stand that ended needlessly when Cullinan was run out after a pinpoint throw from Rose on the boundary to Ridley Jacobs, the wicket keeper.

Rhodes and Pollock then added a partnership of 80.

New Zealand vs. India: Gritty batting by a couple of tail-end batsmen

SUNDAY, IN MELBOURNE

England: 276
Australia: 59-2

No. 2, Kenya 10-1 to Louisville 83-74.
No. 14, Chile 11-1 to Davis 67-54.

LEADERSHIP: COLLEGE SCORES

George Washington 91, Bradley 71

when Rose dismissed Gary Kirsten, Herschelle Gibbs and Jacques Kallis as the home country declined from 57 for no wicket to 80 for three.

Cullinan and Cronje put on 60 for the fourth wicket and Cullinan and Rhodes added 42 for the fifth wicket, a stand that ended needlessly when Cullinan was run out after a pinpoint throw from Rose on the boundary to Ridley Jacobs, the wicket keeper.

Rhodes and Pollock then added a partnership of 80.

New Zealand vs. India: Gritty batting by a couple of tail-end batsmen

SUNDAY, IN MELBOURNE

England: 276
Australia: 59-2

No. 2, Kenya 10-1 to Louisville 83-74.
No. 14, Chile 11-1 to Davis 67-54.

LEADERSHIP: COLLEGE SCORES

George Washington 91, Bradley 71

when Rose dismissed Gary Kirsten, Herschelle Gibbs and Jacques Kallis as the home country declined from 57 for no wicket to 80 for three.

Cullinan and Cronje put on 60 for the fourth wicket and Cullinan and Rhodes added 42 for the fifth wicket, a stand that ended needlessly when Cullinan was run out after a pinpoint throw from Rose on the boundary to Ridley Jacobs, the wicket keeper.

Rhodes and Pollock then added a partnership of 80.

New Zealand vs. India: Gritty batting by a couple of tail-end batsmen

SUNDAY, IN MELBOURNE

England: 276
Australia: 59-2

No. 2, Kenya 10-1 to Louisville 83-74.

LEADERSHIP: COLLEGE SCORES

George Washington 91, Bradley 71

when Rose dismissed Gary Kirsten, Herschelle Gibbs and Jacques Kallis as the home country declined from 57 for no wicket to 80 for three.

Cullinan and Cronje put on 60 for the fourth wicket and Cullinan and Rhodes added 42 for the fifth wicket, a stand that ended needlessly when Cullinan was run out after a pinpoint throw from Rose on the boundary to Ridley Jacobs, the wicket keeper.

Rhodes and Pollock then added a partnership of 80.

New Zealand vs. India: Gritty batting by a couple of tail-end batsmen

SUNDAY, IN MELBOURNE

England: 276
Australia: 59-2

No. 2, Kenya 10-1 to Louisville 83-74.

LEADERSHIP: COLLEGE SCORES

George Washington 91, Bradley 71

when Rose dismissed Gary Kirsten, Herschelle Gibbs and Jacques Kallis as the home country declined from 57 for no wicket to 80 for three.

Cullinan and Cronje put on 60 for the fourth wicket and Cullinan and Rhodes added 42 for the fifth wicket, a stand that ended needlessly when Cullinan was run out after a pinpoint throw from Rose on the boundary to Ridley Jacobs, the wicket keeper.

Rhodes and Pollock then added a partnership of 80.

New Zealand vs. India: Gritty batting by a couple of tail-end batsmen

SUNDAY, IN MELBOURNE

England: 276
Australia: 59-2

No. 2, Kenya 10-1 to Louisville 83-74.

LEADERSHIP: COLLEGE SCORES

George Washington 91, Bradley 71

when Rose dismissed Gary Kirsten, Herschelle Gibbs and Jacques Kallis as the home country declined from 57 for no wicket to 80 for three.

Cullinan and Cronje put on 60 for the fourth wicket and Cullinan and Rhodes added 42 for the fifth wicket, a stand that ended needlessly when Cullinan was run out after a pinpoint throw from Rose on the boundary to Ridley Jacobs, the wicket keeper.

Rhodes and Pollock then added a partnership of 80.

New Zealand vs. India: Gritty batting by a couple of tail-end batsmen

SUNDAY, IN MELBOURNE

England: 276
Australia: 59-2

No. 2, Kenya 10-1 to Louisville 83-74.

LEADERSHIP: COLLEGE SCORES

George Washington 91, Bradley 71

when Rose dismissed Gary Kirsten, Herschelle Gibbs and Jacques Kallis as the home country declined from 57 for no wicket to 80 for three.

Cullinan and Cronje put on 60 for the fourth wicket and Cullinan and Rhodes added 42 for the fifth wicket, a stand that ended needlessly when Cullinan was run out after a pinpoint throw from Rose on the boundary to Ridley Jacobs, the wicket keeper.

Rhodes and Pollock then added a partnership of 80.

New Zealand vs. India: Gritty batting by a couple of tail-end batsmen

SUNDAY, IN MELBOURNE

England: 276
Australia

SPORTS

Tampa Bay Wins Big To Keep Hopes Alive

Bucs Shuts Out Bengals in Must-Win Game

The Associated Press

CINCINNATI — The Tampa Bay Buccaneers overcame the cold and the Cincinnati Bengals on Sunday as the team gained its biggest and potentially most important road victory ever.

Mike Alstott, the Buccaneer fullback, had two of his three touchdown runs during a 28-point first half that set up the 35-0 victory over the Bengals — the

NFL ROUNDUP

most lopsided road victory in Tampa Bay's history.

After recording the third shutout in franchise history, the Buccaneers (8-5) headed home for the warmth of Florida unsure whether their season was over.

They would clinch a wild card berth if the New York Giants won and Arizona lost in games that started shortly after the Buccaneers' ended. The Tampa Bay victory eliminated the Giants.

The Buccaneers got every break they needed from Cincinnati. The Bengals fumbled a punt, had another blocked, missed a field goal and lost another quarterback to a hand injury as Tampa Bay rolled to a 28-0 halftime lead.

The 28-point half was Tampa Bay's biggest in 10 years and tied for the second-best in franchise history. The 28-point halftime lead was Tampa Bay's biggest ever.

Cincinnati failed to score for the first time since 1992 and was shut out at home for the first time since a 34-0 strike replacement loss against Cleveland in 1987. The last home shutout before that was 14-0 against Buffalo in 1980.

Things broke the Buccaneers' way from the start. They were 0-16 when the game-time temperature was 39 degrees Fahrenheit (4 degrees centigrade) or below; it had warmed to 40 degrees (with a wind chill of 29 degrees) at the coin flip.

Trent Dilfer, the Tampa Bay quarterback, set the tone by throwing a 50-yard touchdown pass to Rob Thomas — who had only one reception all season — on the fifth play of the game.

The Bengals crumbled after their kicker, Doug Peffey, missed wide right on a 40-yard field goal attempt on their first possession. Alstott's one-yard touchdown dive made it 14-0, and Eric Bienemy fumbled the kickoff to set up another Alstott one-yard push only 2:49 later.

Dilfer's four-yard touchdown pass to Reid Anthony made it 28-0 with 8:07 left in the second quarter.

The Bengals lost a quarterback to a

hand injury for the third time in four games when Paul Justin hurt his right hand late in the second quarter. Eric Kresser, playing in only his second NFL game, finished and threw a pair of interceptions.

Ronnie Barber's interception at the Buccaneers' one-yard line ended Cincinnati's final scoring threat early in the fourth quarter. Kresser finished seven-of-17 for 102 yards.

The smallest home crowd of the season watched Cincinnati finish 3-13 for the fourth time in the 1990s. The approximately 40,000 fans booted each Bengal mishap and unfurled banners calling for Mike Brown to step down as general manager.

Falcons 38, Dolphins 16 While Dan Reeves, the Atlanta coach, watched from home, missing his second straight game after heart bypass surgery, the Falcons finished out the best regular season in team history with a rout of the visiting Miami Dolphins.

Atlanta (14-2), had already clinched the National Football Conference West, a first-round bye and No. 2 seed in the conference behind Minnesota. But Reeves, in a midweek telephone call, told his players that it was important to go into the playoffs on a roll.

They did. The Falcons stunned the turnover-plagued Dolphins (10-6) by jumping to a 21-0 lead just eight minutes into the game and enter the postseason with a nine-game winning streak.

Miami, coming off a Monday night victory over Denver, needed another victory to ensure a home game in the first round of the playoffs. But the Dolphins lost four fumbles, and Dan Marino, their quarterback, was intercepted twice.

The Dolphins still gained a home playoff game when New England lost to the New York Jets. Miami will host to Buffalo next weekend.

Jamal Anderson carried 18 times for 103 yards, including a 36-yard touchdown. He set an NFL record for most rushing attempts in a season, finishing with 410 to eclipse by three the mark set by James Wilder of Tampa Bay in 1984.

Marino threw for 320 yards — his third straight 300-yard game — but it didn't matter. The Dolphins gave up a season high for points, but finished the season having allowed only 265 points, the best in the NFL.

Arianna, which led 24-6 at halftime, blew it open with two more quick scores in the third period, scoring both times on the very next play after Miami fumbles.

The AFC's leading passer, Testaverde had touchdown passes of 4 yards



Al Behrman/The Associated Press

Testaverde Lifts Jets Over Patriots

New York Finishes at 12-4, Earning a Bye in First Week of Playoffs

The Associated Press

EAST RUTHERFORD, New Jersey — The last time the New York Jets finished a season this hot, they won their only Super Bowl.

With a history sprinkled with few successes and so many disappointments, finding highlights for the Jets never was an easy chore. That is, until this season, which they finished off in style Sunday, routing the New England Patriots, 31-10, behind Vinny Testaverde's four touchdown passes.

The Jets, 1-15 just two years ago before Bill Parcells took over as coach, set a franchise record with their 12th victory. It was their sixth straight triumph, and their 12-4 record earned the team a playoff bye this weekend.

It has been 30 years, or back when Joe Namath was in the midst of his Hall of Fame career, since the Jets have been so strong.

Testaverde, in what he has called "a magical season," set a club record with 29 touchdown passes. His 12th pro season has been his best by far, and probably much better than anyone imagined when he signed in June as a free agent to back up Glenn Foley.

The AFC's leading passer, Testaverde had touchdown passes of 4 yards

to Kyle Brady, 8 yards to Curtis Martin, 17 to Deric Ward and 24 to Keyshawn Johnson. He completed 17 of 27.

Martin, another key free-agent addition this year, rushed 29 times for 102 yards.

And for all their firepower — 416 points this season — the Jets also allowed the second-fewest points in the league, 266, just one more than Miami.

The Patriots (9-7) already had made the playoffs despite a rash of injuries to key players. Among the missing Sunday were quarterback Drew Bledsoe, wide receiver Terry Glenn and inside linebacker Ted Johnson. Without them — and with the Jets on such a roll — the Patriots had little chance.

Ravens 19, Lions 10 If the Baltimore Ravens had played this well all season, maybe Ted Marchibroda would have felt better about his team's victory over the visiting Detroit Lions.

Instead, he walked off the field with the understanding that the game might have well marked the end of his career as an NFL head coach.

Priest Holmes scored a touchdown and became the Ravens' first 1,000-yard rusher as Baltimore (6-10) closed a disappointing season by beating the error-prone Lions (5-11).

The game marked the end of Marchibroda's three-year contract.

Although he wore a broad smile as he shook hands with the Detroit coach, Bobby Ross, after the game, it is a virtual certainty that Marchibroda will not return next season.

Marchibroda, 67, failed to produce a winning season with the Ravens and is 16-31-1 over that span. His dismissal could come as soon as Monday.

The Ravens led, 16-0, in the second quarter, then let the lead dwindle to 16-10 before Matt Stover kicked a 30-yard field goal with 5:03 remaining to clinch the victory.

Holmes gained 132 yards on 20 carries and finished with 1,008 yards for the season. Jim Harbaugh shrugged off a early elbow injury to finish 17-for-26 for 141 yards and a touchdown.

Chiefs 31, Raiders 24 On Saturday, the Chiefs extended their record of dominance over Oakland to 17 victories in the last 19 games between the two teams.

Derrick Thomas returned a fumble 44 yards for a score, and Tony Gonzalez caught a 20-yard touchdown pass to break a fourth-quarter tie for the visiting Chiefs. "Unfortunately, we can't use this as a springboard, because we're not in the playoffs," Thomas said.

Vikings Win To Post 15-1 Season Mark

Minnesota Sets 3 Records In 26-16 Pasting of Oilers

By Thomas George
New York Times Service

NASHVILLE, Tennessee — It looked like a team that had clinched everything — the playoffs, home-field advantage, team and individual honors — a team that had everything going for it on the road against a team whose season blew up long ago. It looked like the Minnesota Vikings, down by 13-8 at halftime against the Tennessee Oilers, needed a collective jolt, something to spark the day, something to make this matchup more intense. More urgent.

The Vikings found it in the third quarter. That is their quarter.

The Vikings took the opening kickoff in the third quarter and dominated the Oilers. They drove 76 yards in nine plays, and Randall Cunningham finished the series by tossing a 5-yard scoring pass to Randy Moss. Cunningham-to-Moss earned the two-point conversion, too, and the Vikings were set, as they went on to a 26-16 victory Saturday at Vanderbilt University.

Minnesota outscored Tennessee by 15-3 in the third quarter, which helped the Vikings set the record for the most points in a season in National Football League history (356). Those points also gave Minnesota a 139-58 scoring advantage in third-quarter play this season. Minnesota earned a 15-1 regular season record, to join the 1984 San Francisco 49ers and the 1985 Chicago Bears as the only teams to finish with that record; both of those teams went on to win the Super Bowl.

"We can score on special teams, on defense and on offense," said Dennis Green, the head coach. "The scoring record we earned today is a team record. We made enough plays in the second half, and Randall Cunningham played a solid game. The offense came around, but we always have a fast-starting defense. We have a team that plays together. That makes me most proud."

Cunningham was 23 of 35 for 235 passing yards with two touchdowns and one interception.

It was the eighth victory in a row for the Vikings, who are set for the National Football Conference playoffs, with a bye this weekend. The NFC road to the Super Bowl must now go through Minnesota.

"I really believe that our talent level is not that much different from that team," said Samari Rolle, the rookie cornerback for Tennessee, which has been stuck at 8-8 for three consecutive seasons. "The difference may be in part talent, but it is just as much in confidence. That is a very confident group. You can tell by the way they talk before they play. They just believe."

The Vikings have already earned history. In this game alone, they set three NFL records.

• Their 356 points this season broke the league record of 341 set by the Washington Redskins in 1983.

• Gary Anderson scored 10 points to give the kicker 164 for the season. He surpassed Mark Moseley of Washington (161 in 1983) as the highest scoring kicker for a single season. Anderson also had a perfect season in field goals (35 of 35) and in extra points (59 of 59). He stretched his NFL record of consecutive field goals to 40 over two seasons.

• Moss and Cris Carter, the Vikings receivers who both scored touchdown catches, set a record for most touchdowns by a receiving duo (28 — Moss with 17 and Carter with 11).

"We played like we were capable of playing," Carter said, "and we knew it was going to be a tough week with Christmas and traveling and all of those things. I think we handled it really well. The 15-1 record does not matter now. We have home field in the playoffs, and we are 0-0 now. But we are excited about what we can do."



Wide World/AP
The Vikings' Gary Anderson, who went 35 for 35 on field goals this year, hitting a 39-yarder Sunday.

Magic Handshake Helps Canadiens Grab a Victory

The Associated Press

TORONTO — As Maurice (The Rocket) Richard made his exit on a red carpet from center ice after the ceremonial face-off prior to the last Montreal Canadiens-Toronto Maple Leafs game in Maple Leaf Gardens, Stephane Quintal glided over and shook his hand.

With 4:58 remaining in the game, Quintal slid a shot that bounced off

NHL ROUNDUP

the stick of Curtis Joseph, the Toronto goalie, continued through his legs, and gave the Canadiens a 2-1 victory Saturday.

"I shook his hand and maybe that's why I scored," Quintal said of his first goal this season.

The victory saved the Canadiens the dubious distinction of tying the club record, shared by the 1923-26 and 1935-36 teams, for the longest winless streak of 12 games.

Earlier in the day, the Canadiens hired former Montreal star and New Jersey Devils coach Jacques Lemaire to assist general manager Rejean Houle in trying to improve the club's sagging fortunes.

Penguins 2, Senators 1 In Pittsburgh, Jaromir Jagr scored 1:18 into overtime to beat Ottawa.

Peter Skudra, Pittsburgh's backup goalie, played brilliantly — particularly in the third period, when his team was outshot 13-1 — to give the Penguins a chance to win.

Flyers 3, Blackhawks 2 Eric Lindros and Eric Desjardins scored in the first four minutes as Philadelphia won in Chicago to extend its unbeaten streak to seven games. Doug Gilmour scored both Chicago goals — and recorded his 1,200th NHL career point.

Blues 4, Red Wings 3 In St. Louis, Scott Pellerin scored twice as the Blues extended Detroit's losing streak to a season-high five games.

The five-game losing streak is the longest for the two-time defending Stanley Cup champions since the 1990-91 season.

Predators 3, Capitals 1 In Nashville, rookie goaltender Tomas Vokoun earned his second straight victory against 1998 Stanley Cup finalist as the Predators beat Washington.

Vokoun, who had made 50 saves in the Predators' 5-3 victory over Detroit on Wednesday, needed to stop just 26 of 27 shots against the struggling Capitals. Washington has won just three of its last 12 games. James Black's goal with 7:07 left in the game spoiled the shutout bid by Vokoun, a 22-year-old from the Czech Republic.

Stars 4, Avalanche 2 Brett Hull scored two power-play goals, giving him seven goals in seven games, as Dallas extended its unbeaten streak to 11 with a victory over visiting Colorado.

Hull, with 13 points in his last 11 games, added an assist, and Mike Modano had two assists, helping Dallas reach the 300-assist plateau.

Sharks 2, Canucks 0 In San Jose, Backup goaltender Steve Shields recorded his first NHL shutout, and Patrick Marleau and Mike Ricci each scored a goal as the Sharks beat Vancouver.

Shields stopped 25 Vancouver shots.

Missouri Deals West Virginia Its 8th Straight Bowl Defeat

The Associated Press

TUCSON, Arizona — West Virginia couldn't quite keep up with the Joneses in the Insight.com Bowl.

Corby Jones rushed for three touchdowns and Julian Jones intercepted a pass and blocked a punt for a safety as No. 23 Missouri (8-4) held on to beat the Mountaineers, 34-31, Saturday night.

"There's not much you can say," said Corby Jones, whose father Curtis, a

COLLEGE FOOTBALL

Missouri assistant coach, died of a heart attack in July. "We just did this for my dad and for the team."

Julian Jones, who also had 10 unassisted tackles and a 39-yard free kick return that helped set up a score, was named the game's outstanding player. The sophomore started at cornerback because the senior Wade Perkins was suspended for the game for unspecified team rule violations.

West Virginia (8-4) lost its eighth consecutive bowl game, tying South Carolina's NCAA Division I record. South Carolina's skid ended with a victory over West Virginia in the 1995 Insight Bowl.

"I was sad for Wade because I knew he would have been in the last game," Julian Jones said. "I tried to come in and do the things that he would have done for our team, because he is a big-time player."

Marc Bulger of West Virginia completed 34 of 51 passes, both Insight.com

Bowl records, for a school-record 429 yards and four second-half touchdowns to bring the Mountaineers back from a 21-point deficit. Bulger's four touchdown passes tied an Insight.com Bowl record, and his leading receiver, Sean Foreman, caught an Insight.com record 11 passes for 189 yards.

Bulger's nine-yard scoring pass to Amos Zeece cut Missouri's lead to 31-24 with 10:27 to play, and his one-yard touchdown toss to David Saunders made it 34-31 with 2:11 to play. But Dwayne Blakley of Missouri recovered the onside-kick attempt, and the Tigers ran out the clock.

Cody Jones and Devin West, in their final collegiate game, led a 76-yard, 14-

Louisville Upsets Kentucky Once Again

WORLD ROUNDUP

Life Ban Is Urged For 2 Australians

CRICKET Khalid Mahmood, the chairman of the Pakistan Cricket Board, said that Pakistan, India and Sri Lanka would lobby the International Cricket Council to ban Shane Warne and Mark Waugh, two Australian stars, for life.

The Australian pair apologized this month for providing pitch and weather information to an Indian bookmaker while on tour of Sri Lanka in 1994. They were fined by the Australian Cricket Board in February 1995, an action kept secret until early this month. The scandal is on the agenda of the cricket council's meeting Jan. 10-11 in Christchurch, New Zealand.

"The subcontinent was unanimous that the guilty players should be banned for life when we met at New Delhi 10 days ago," Mahmood said Saturday. (Reuters)

[Test Cricket - Page 16]

NFL Opens Video Path For Black Coaches

FOOTBALL The National Football League said it would try to promote the hiring of black coaches by videotaping interviews of selected assistant coaches and making the tapes available to its teams.

It said the interviews would be done by an independent consulting agency in the next few weeks and would include about 20 to 30 candidates, most them black.

There are only three black head coaches in the league. One, Ray Rhodes, is expected to be fired by Philadelphia after the season. The others are Dennis Green of Minnesota and Tony Dungy of Tampa Bay. (NYT, AP)

Former World Champion John Pulman Dies at 75

SNOOKER John Pulman, the former world snooker champion has died at age 75. Pulman, who was world professional champion from 1957 to 1968, had been hospitalized after breaking his hip in a fall. (AFP)

Humbug to the NBA

BASKETBALL Michael Wilbon, the Washington Post columnist, offered a seasonal reaction to the National Basketball lockout:

"You know the first thought that came to mind when I heard news of this Jan. 7 deadline, the so-called 'drop dead' date, for the NBA and its players to negotiate a deal? That both sides should, figuratively speaking of course, drop dead."

"I know that's not exactly an expression of Christmas spirit. But it does come in the spirit of the NBA and its players, who subscribe to their own twisted motto: It is better to receive than to give." (WP)

The Year in Sports, 1998: Too Many Ugly Moments**Drugs, Fan Violence and Strikes Dim Bursts of Athletic Brilliance**

By Christopher Clarey
International Herald Tribune

SEVILLE, Spain — "So let me get this straight, you actually get paid to go to games?"

I have been hearing this question or a version of it since I became a sportswriter, and even if isn't altogether true — I actually get paid to write at warp speed after going to games — I always have liked the tone of it: sports as escapist; an Olympic-ringed circus to leave our daily bread.

But the tone of the question and the tone of my workplace have been diverging for quite some time, and although dear reader, that is hardly your problem, there was usually something to take all our minds off the games in 1998.

It started in January with Australian customs officials searching through the luggage of the Chinese swimmer Yuan Yuan as she arrived for the world swimming championships and finding vials of human-growth hormone, a banned substance.

It continued in February when a Canadian named Ross Rebagliati received a lot more attention for testing positive for marijuana than for winning the first snowboarding gold medal in Olympic history.

It accelerated in July with the world's greatest bicycle race degenerating into a police chase in the wake of more drug searches, seizures, arrests and — for a change — admissions, although Richard Virenque's was not among them.

It extended into December with a full-blown Olympic bribery scandal and a National Basketball Association labor dispute that appeared it might be intractable enough to force cancellation of the season for the first time in history.

Perhaps that is a harbinger of the post-modern sports world: one in which there are no games.

But even if the NBA players' lawyers and the league's lawyers come to agreement, I have the lingering suspicion that the whole enterprise of sport title sponsors and exclusive-rights holders is chugging steadily toward a cliff.

Attribute it to what you will: the inevitable price of decadence; the overemphasis on manufactured and well-marketed heroes instead of real heroes, or human nature. But however one explains it, the bright moments for me in 1998 — John Elway and his Denver Broncos finally winning the Super Bowl; the cross-country skier Bjorn Daehlie sprawling across the finish line to win his eighth Olympic gold medal; Alex Correja's and Carlos Moya's friendly post-final embrace at the French Open; Zinedine Zidane's near-post headers in the World Cup final; Marion Jones sprinting down a track with imperfect form and nobody in front of her — are fighting a losing battle for space in my memory bank with the uglier moments.

A few postcards, some sweet and some bittersweet, from the world of sports in 1998:

JAN. 22, Cortina d'Ampezzo, Italy: In the streets, the dowagers in their furs are sharing space with the *hoi polloi* in their parkas. But inside a three-star hotel chosen expressly for its inconspicuousness, Alberto Tomba is running his hands nervously, compulsively across his face and through his thick curly hair as he talks about the upcoming Winter Olympics. Tomba looks trim; he looks tan, but he looks anything but tranquil as he describes the cumulative psychological effects of an ongoing tax investigation and the ongoing examination of his private life by the fourth estate. This will be the final season for the maestro whose charisma made skiing appealing to the masses.

FEB. 13, Nagano, Japan: Sportswriters train themselves to control their emotions. Cheering in the press box is not allowed, not even for the team you used to live and cry for as a child, and I sometimes have to remind myself that it is completely acceptable to applaud at the theater. But on the morning of the much-delayed men's Olympic downhill race, my training fails me completely as I watch Hermann Maier of Austria attack a narrow turn with typical insouciance and then, most unexpectedly and spectacularly, bundle off a lip and take flight. As the world's dominant skier heads toward the ozone layer, skis and poles akimbo, I am shouting with a mixture of surprise and dread, and I don't stop shouting until Maier has crashed and skidded through two security fences. Three days later, Maier would recover his balance and I my composure. He would win the first of two Olympic gold medals by dominating the Super-G.

MARCH 6, Bratislava, Slovak Republic: How many tennis fans, or even tennis fans, would pay to watch Dominik Hrbaty play Magnus Gustafsson? Predictions few, but it was one of my favorite matches of the year. Hrbaty is a Slovak; Gustafsson is a Swede. And with this Davis Cup first-round match tied at 2-2, both men need a victory to put their team in the quarterfinals. The 31-year-old Gustafsson has spent the week in Bratislava in bed with a virus. The day before this match he was interviewing his Swedish teammates for television.

But because of an injury to Mikael Tillstrom, the convalescent Gustafsson is on the other end of the camera today. After he wins in four nervy sets, in spite of a chronic cough and a lot of crowd support for Hrbaty, his fellow Swedes toss him into the air and rub his balding head. There is not an agent or spin doctor in sight, and eight months later, the Swedes would be rubbing Gustafsson's head again as he helped them win their third Davis Cup title in five years.

MAY 6, Rome: I am sitting near the grandstand court at the Foro Italico, the one ringed with neoclassical nudes commissioned during the reign of Benito Mussolini. And when Venus Williams has finished working over her smaller, infinitely more massmusing Spanish opponent, she saunters over to the stands and begins signing autographs. An elderly, excited Italian man leans over the railing and shouts like an auctioneer: "Grande, Grande, Grande. You will be big, big, big!" The 6-foot-1½ (1.85-meter) Williams looks up at the spectator with amusement in her eyes and begins to laugh loudly, the braces on her teeth flashing in the afternoon sun.

JUNE 11, Marseille: The man I am talking to in the hardscrabble housing project of La Castellane looks a lot like Zinedine Zidane. That is because he is Zidane's older brother, Farid, who, unlike Zinedine, still lives here. Farid is explaining that it is not easy for those of North African descent to find their place in contemporary France. His brother has managed quite nicely by controlling a soccer ball better than almost anyone on the planet, and as we walk around the concrete concourse where Zidane acquired some of his skills as a youngster, a rainbow coalition of teenagers gathers to answer queries on the eve of France's World Cup opener against South Africa. "Here it's not easy to succeed," one of the teenagers observes. "But with Zid-



Bjarne Riis of Denmark discussing a riders' protest over drug testing with officials of the Tour de France.

ane, at least people in La Castellane know that it is possible."

JULY 12, Paris: Zidane has just redefined French sporting success at the expense of Ronaldo and the and After writing into the night, I exit the elliptical Stade de France, the newest national monument in a country overflowing with them. Outside, the crowd is still dense and we are soon packed tightly against each other as we inch toward the entrance to the metro.

"*On est les champions; On est les champions; On est, On est, On est les champions!*"

Unlike the English or the Brazilians, the French don't have a trove of soccer songs, but they have improvised. On the Avenue des Champs-Elysées, they gather and sing by the tens of thousands as the faces of Zidane and other French players are projected onto the carved stone of the Arc de Triomphe.

It has been a schizophrenic World Cup, the genuine and wholesome enthusiasm in the stands sometimes overshadowed by the rioting in the streets of Marseille and Lens.

I had been in both those cities during the violence, and as I approach the Champs-Elysées on my bicycle in the early hours of July 13 to rejoin the revelry, I am content that my final image of the globe's most popular sporting event will be of joy, of release.

But when I arrive at the Arc de Triomphe, red lights are flashing: ambulances, police cars, commotion. A panicked driver has accelerated through a crowd of pedestrians, injuring many. The party in this part of town won't be quite the same party again, and this flawed final World Cup evening is, unfortunately, in perfect harmony with a flawed World Cup.

JUNE 22, Monaco: The Tour de France turned out to be an ad hoc seminar on morality and the hazards of EPO, an artificial hormone that increases the flow of oxygen to muscles. Michelle Smith-De Bruin, a triple gold medalist in swimming at the 1996 Summer Olympics, has been banned from competition for four years for tampering with her own urine samples. I am in Monaco for a track-and-field meet, and as I look down on Stade Louis II from the old city several hours before the competition begins, I realize how much more difficult it is to find the

right tone in this climate of suspicion. Today's world-record holder could be tomorrow's pariah; today's bitter fourth-place finisher a vindicated medalist.

How to leave room for revision without casting aspersions on everyone? How to do justice to a remarkable sporting feat without sounding unjustly skeptical?

SEPTEMBER 7, New York: Pete Sampras is still in the running to match Roy Emerson's career record for Grand Slam victories at the United States Open, but as I walk through the American corner of the press room at Flushing Meadows, nearly all the televisions are tuned into a St. Louis Cardinals baseball game.

A global sport has been trumped by the local, and as Mark McGwire's successful chase of the single-season home-run record continues, I meet regularly with foreign colleagues from France, the Czech Republic and Sweden who are looking for medications that work for them cosmetically. I do my best.

Imagine if some after were closing in on Ingemar Stenmark's 88 World Cup victories. I suggest hopefully to the Swedes, "My foreign colleagues also want to know why androstenedione, the muscle-building supplement McGwire takes, isn't banned by Major League Baseball if it is banned by the International Olympic Committee. That one is much more difficult answer."

NOV. 22, Lake Kariba, Zimbabwe: I am in this struggling and lovely southern African nation to do a story on the Black children — Byron, Wayne and Carter, who grew up on a farm near the Zimbabwean capital of Harare and are all successful touring tennis professionals. After spending a few days with their family, I have come to this artificial lake that is a magnet for wildlife. This morning, I have rented a boat, and my driver is a young, lean Zimbabwean named Silas. We spot hippos and crocodiles near the shore. We spot cape buffaloes on an island. We find kudu and impala, kingfishers and jacanas. As we are relaxing and admiring a bull elephant as it approaches the lake to drink, Silas inquires about my line of work. I tell him, and Silas stays quiet a while before finally asking, "So what really happened to Ronaldo at the World Cup?" I look at Silas. I look at the elephant, and I start to laugh, a global villager adrift on Lake Kariba.



(put on a happy face)

and use AT&T Direct™ Service. With the world's most powerful network, you get fast, clear, reliable connections from anywhere. Plus you'll always have the option of an operator who speaks your language.

All it takes is your AT&T Calling Card or credit card, and you're well on your way. So smile.

Steps to follow for easy calling worldwide:
1. Just dial the AT&T Access Number for the country you are calling from.
2. Dial the phone number you're calling.
3. Dial your card number.



AT&T Access Numbers	
Austria	072-913-011
Belgium	0800-000-101
Czech Republic	00-42-00-00-101
Egypt (Cairo)	01-61-00-00-00
France	0-800-93-011
Germany	0130-00-010
Greece	30-000-1011
Iceland	1-871-00-00-00
Ireland	1-800-91-99-99
Italy	172-1011
Netherlands	0800-02-0111
Russia (Moscow)	00-755-50-02
Small Arabia	1-300-10
Spain	90-00-00-00
Sweden	070-795-611
Switzerland	0800-99-99-99
United Kingdom	0-800-00-00-011
United Kingdom	0-800-00-00-011

For access numbers not listed above, ask any operator for AT&T Direct Service, or visit our Web site at www.att.com/traveler.



It's all within your reach.

Credit card calling subject to availability. Payment terms subject to your credit card agreement. Hold-free countries permit country-to-country calling outside the U.S. Collect calling is available to the U.S. only. Country-to-country rates consist of the cost of a call to the U.S. plus an additional charge based on the currency you are calling. You can call the U.S. from all countries listed above. • Pay phone deposit. • Limited availability. • Public phones require local coin payment during the call. • Dial "00" first outside Cairo. Additional charges apply outside Moscow. • Use U.K. access number in N.Ireland. • If call does not complete, use 0800-012-0111. ©1998 AT&T